

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

EQUITYBUILD, INC., et al.,

Defendants.

Case No. 1:18-cv-5587

Hon. Manish S. Shah

**NOTICE OF FILING PROPOSED ORDER GRANTING
RECEIVER’S EIGHTEENTH FEE APPLICATION AND
PARTIALLY APPROVING PAYMENT OF FEES AND EXPENSES**

Kevin B. Duff, as receiver (“Receiver”) for the Estate of Defendants EquityBuild, Inc. (“EquityBuild”), EquityBuild Finance, LLC (“EquityBuild Finance”), their affiliates, and the affiliate entities of Defendants Jerome Cohen and Shaun Cohen (collectively, the “Receivership Defendants”), provides Notice that pursuant to the Court’s April 26, 2023 directive, he hereby files a Proposed Order Granting the Receiver’s Eighteenth Fee Application and Partially Approving Payment of Fees and Expenses.

The Receiver has made certain minimal adjustments to the fee allocations that were set forth in Exhibit J and the summary coversheets to the individual property reports in Exhibit M to his Eighteenth Fee Application, which are reflected in Exhibit A to the proposed order. These adjustments result from the Receiver’s correction of the sale price for 7749 S Yates in the formula used to allocate the general allocations on a pro-rata basis according to the relative gross sales prices of the properties. The gross sales price previously used for 7749 S Yates did not reflect that the sales price was reduced from \$1,125,000 to \$925,000 after the property experienced a fire, and the correction to the property’s actual sale price slightly changed the proportional share of general

expenses allocated to each of the properties in accordance with the allocation methodology approved by the Court. (*See, e.g.*, Dkt. 1107 at Ex. 5)

The result of the adjustment is that the allocations for 7749 S Yates decreased by \$17.58 in the Seventeenth Fee Application and \$33.60 in the Eighteenth Fee Application, respectively. The allocations to all other properties increased in amounts between \$0.02 and \$2.82 on each of those fee applications. The attached schedule shows the adjustments made for each of the properties.

A copy of the proposed order in MS Word format and the attached Exhibit A will be sent by electronic mail to Proposed_Order_Shah@ilnd.uscourts.gov

Dated: May 1, 2023

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis

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CERTIFICATE OF SERVICE

I hereby certify that I provided service of the foregoing **Notice of Filing Proposed Order Granting Receiver's Eighteenth Fee Application and Partially Approving Payment of Fees And Expenses**, via ECF filing, to all counsel of record on May 1, 2023.

/s/ Michael Rachlis

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**ORDER GRANTING RECEIVER'S EIGHTEENTH FEE APPLICATION
AND PARTIALLY APPROVING PAYMENT OF FEES AND EXPENSES**

WHEREAS, on February 14, 2023, the Receiver filed his Eighteenth Interim Application and Motion for Court Approval of Payment of Fees and Expenses of Receiver and Receiver's Retained Professionals (Dkt. 1384);

WHEREAS, on April 26, 2023, the Court overruled the objections to the Receiver's Eighteenth Fee Application

WHEREAS, on May 1, 2023, the Receiver alerted the Court to adjustments to the fee allocations for his Seventeenth and Eighteenth Fee Applications, which are reflected on the attached Exhibit A.

NOW, THEREFORE, for the reasons stated on the record on April 26, 2023, the Court finds and ORDERS:

1. Adequate and fair notice has been provided to all interested and potentially interested parties as to the Receiver's Eighteenth Interim Application and proposed fee allocations and each interested or potentially interested party has had a full and fair opportunity to assert its interests and any objections;

2. The fee application is granted in its entirety, but (a) with a holdback of 20% of the fees (but not expenses) requested in the application; and (b) withholding immediate payment of fees and expenses allocated to 1131-41 E 79th Place and 7024-32 S Paxton Avenue, which are at issue in the FHFA's objections;

3. The Receiver is authorized to and shall disburse without delay the following:

- a) funds from the Receiver's Account in the amounts of:
 - i. \$1,988.80 to pay KMA S.C. for the approved fees and expenses set forth on its invoices submitted with the Receiver's Eighteenth Interim Application (after application of a 20% holdback);
 - ii. \$577.50 to pay Prometheus for the approved expenses set forth on its invoices submitted with the Receiver's Eighteenth Interim Application;
 - iii. \$17,197.26 to pay Rachlis Duff & Peel, LLC for approved fees set forth on its invoices submitted with the Receiver's Eighteenth Interim Application that have not been allocated to specific properties (after application of a 20% holdback);
 - iv. \$1,206.94 to reimburse Rachlis Duff & Peel, LLC for approved expenses set forth on its invoices submitted with the Receiver's Eighteenth Interim Application;
 - v. \$1,261.70 to pay Rachlis Duff & Peel, LLC the fees allocated to properties 11 (7500-06 S Eggleston Avenue) and 14 (7549-59 S Essex Avenue), after application of the 20% holdback and the adjustments described above, because the Court previously ordered that the proceeds from the sale of

those properties be held in the Receiver's Account rather than in separate property accounts for these properties (Dkt. 346)¹; and

- b) funds from each of the property accounts set forth in Exhibit A, which is attached hereto and made part of this Order, in the amounts of the "Approved Interim Distribution Amount" reflected on Exhibit A to the Receiver's Account² in order to pay approved fees to Rachlis Duff & Peel, LLC (after application of a 20% holdback).
4. The Court reserves final approval of the distribution of fees held back in accordance with this Order.

Entered:

The Honorable Manish S. Shah

Date: _____

¹ For the same reason, the Court authorizes the Receiver to pay \$1,523.29 to Rachlis Duff & Peel, LLC from the Receiver's Account, which amount constitutes the \$1,904.11 allocated to properties 11 and 14 in the 17th Fee Application (Dkt.1332), after applying a 20% holdback of \$380.82.

² As set forth above, the \$1,261.70 fees allocated to properties 11 and 14 need not be transferred to the Receiver's account, which already holds the proceeds from the sale of those two properties.

Exhibit A to 18th Fee Application Distribution Order

Prop #	Property Address	Account No.	Total Fees Allocated	Adjustment 17th Fee Distribution	Adjustment 18th Fee Application	Adjusted Allocation	20% Holdback	Additional Holdback (FHFA)	Approved Interim Distribution Amount
1	1700-08 W Juneway Terrace	0462	\$ 1,429.23	\$ 0.67	\$ 1.29	\$ 1,431.19	\$ 286.24		\$ 1,144.95
2	4533-47 S Calumet Avenue	0603	\$ 1,259.72	\$ 0.51	\$ 0.98	\$ 1,261.21	\$ 252.24		\$ 1,008.97
3	5001 S Drexel Boulevard	0033	\$ 893.26	\$ 0.67	\$ 1.29	\$ 895.22	\$ 179.04		\$ 716.18
4	5450-52 S Indiana Avenue	0371	\$ 1,288.16	\$ 0.43	\$ 0.83	\$ 1,289.42	\$ 257.88		\$ 1,031.54
5	7749-59 S Yates Boulevard	0231	\$ 768.62	\$ (17.58)	\$ (33.60)	\$ 717.44	\$ 143.49		\$ 573.95
6	6437-41 S Kenwood Avenue	0389	\$ 721.81	\$ 0.34	\$ 0.65	\$ 722.80	\$ 144.56		\$ 578.24
7	7109-19 S Calumet Avenue	0280	\$ 825.53	\$ 0.35	\$ 0.69	\$ 826.57	\$ 165.31		\$ 661.26
8	1414-18 East 62nd Place	0991	\$ 1,805.82	\$ 0.02	\$ 0.03	\$ 1,805.87	\$ 361.17		\$ 1,444.70
9	8100 S Essex Avenue	0058	\$ 1,546.07	\$ 0.27	\$ 0.51	\$ 1,546.85	\$ 309.37		\$ 1,237.48
10	7301-09 S Stewart Avenue	0025	\$ 553.05	\$ 0.16	\$ 0.30	\$ 553.51	\$ 110.70		\$ 442.81
11	7500-06 S Eggleston Avenue	n/a	\$ 605.80	\$ 0.23	\$ 0.44	\$ 606.47	\$ 121.29		\$ 485.18
12	3030-32 E 79th Street	0082	\$ 510.51	\$ 0.09	\$ 0.18	\$ 510.78	\$ 102.16		\$ 408.62
13	2909-19 E 78th Street	0090	\$ 1,026.54	\$ 0.34	\$ 0.66	\$ 1,027.54	\$ 205.51		\$ 822.03
14	7549-59 S Essex Avenue	n/a	\$ 969.83	\$ 0.28	\$ 0.54	\$ 970.65	\$ 194.13		\$ 776.52
15	8047-55 S Manistee Avenue	0108	\$ 935.80	\$ 0.23	\$ 0.45	\$ 936.48	\$ 187.30		\$ 749.18
49	7300-04 S St Lawrence Avenue	0397	\$ 360.73	\$ 0.08	\$ 0.15	\$ 360.96	\$ 72.19		\$ 288.77
50	7760 S Coles Avenue	0405	\$ 435.19	\$ 0.06	\$ 0.12	\$ 435.37	\$ 87.07		\$ 348.30
51	1401 W 109th Place	0843	\$ 326.30	\$ 0.02	\$ 0.03	\$ 326.35	\$ 65.27		\$ 261.08
52	310 E 50th Street	1106	\$ 349.44	\$ 0.05	\$ 0.09	\$ 349.58	\$ 69.92		\$ 279.66
53	6807 S Indiana Avenue	1114	\$ 336.54	\$ 0.03	\$ 0.06	\$ 336.63	\$ 67.33		\$ 269.30
54	8000-02 S Justine Street	0413	\$ 395.67	\$ 0.09	\$ 0.17	\$ 395.93	\$ 79.19		\$ 316.74
55	8107-09 S Ellis Avenue	0421	\$ 510.01	\$ 0.06	\$ 0.10	\$ 510.17	\$ 102.03		\$ 408.14
56	8209 S Ellis Avenue	0439	\$ 358.21	\$ 0.09	\$ 0.17	\$ 358.47	\$ 71.69		\$ 286.78
57	8214-16 S Ingleside Avenue	0447	\$ 374.75	\$ 0.08	\$ 0.16	\$ 374.99	\$ 75.00		\$ 299.99
58	5955 S Sacramento Avenue	0116	\$ 478.37	\$ 0.14	\$ 0.26	\$ 478.77	\$ 95.75		\$ 383.02
59	6001-05 S Sacramento Avenue	0124	\$ 509.26	\$ 0.11	\$ 0.20	\$ 509.57	\$ 101.91		\$ 407.66
60	7026-42 S Cornell Avenue	0132	\$ 678.92	\$ 0.27	\$ 0.51	\$ 679.70	\$ 135.94		\$ 543.76
61	7237-43 S Bennett Avenue	0140	\$ 867.62	\$ 0.21	\$ 0.39	\$ 868.22	\$ 173.64		\$ 694.58
62	7834-44 S Ellis Avenue	0157	\$ 857.09	\$ 0.43	\$ 0.82	\$ 858.34	\$ 171.67		\$ 686.67
63	4520-26 S Drexel Boulevard	0256	\$ 1,971.85	\$ 1.46	\$ 2.82	\$ 1,976.13	\$ 395.23		\$ 1,580.90
64	4611-17 S Drexel Boulevard	0868	\$ 1,726.44	\$ 1.17	\$ 2.26	\$ 1,729.87	\$ 345.97		\$ 1,383.90
67	1131-41 E 79th Place	0470	\$ 11,911.11	\$ 0.28	\$ 0.53	\$ 11,911.92	\$ 2,382.38	\$ 9,529.54	\$ -
68	6217-27 S Dorchester Avenue	0876	\$ 1,343.69	\$ 0.50	\$ 0.98	\$ 1,345.17	\$ 269.03		\$ 1,076.14
69	6250 S Mozart Street	0512	\$ 610.47	\$ 0.22	\$ 0.43	\$ 611.12	\$ 122.22		\$ 488.90
70	638-40 N Avers Avenue	0363	\$ 762.76	\$ 0.09	\$ 0.17	\$ 763.02	\$ 152.60		\$ 610.42
71	701-13 S 5th Avenue	0165	\$ 607.03	\$ 0.24	\$ 0.45	\$ 607.72	\$ 121.54		\$ 486.18
72	7024-32 S Paxton Avenue	0892	\$ 11,931.94	\$ 0.42	\$ 0.82	\$ 11,933.18	\$ 2,386.64	\$ 9,546.54	\$ -
73	7255-57 S Euclid Avenue	0884	\$ 670.04	\$ 0.23	\$ 0.45	\$ 670.72	\$ 134.14		\$ 536.58
74	3074 E Cheltenham Place	0496	\$ 1,567.27	\$ 0.26	\$ 0.49	\$ 1,568.02	\$ 313.60		\$ 1,254.42
75	7625-33 S East End Avenue	0199	\$ 1,455.36	\$ 0.30	\$ 0.58	\$ 1,456.24	\$ 291.25		\$ 1,164.99
76	7635-43 S East End Avenue	0207	\$ 1,368.85	\$ 0.28	\$ 0.54	\$ 1,369.67	\$ 273.93		\$ 1,095.74
77	7750-58 S Muskegon Avenue	0223	\$ 1,179.84	\$ 0.17	\$ 0.32	\$ 1,180.33	\$ 236.07		\$ 944.26
78	7201 S Constance Avenue	0561	\$ 903.34	\$ 0.26	\$ 0.51	\$ 904.11	\$ 180.82		\$ 723.29

Exhibit A to 18th Fee Application Distribution Order

Prop #	Property Address	Account No.	Total Fees Allocated	Adjustment 17th Fee Distribution	Adjustment 18th Fee Application	Adjusted Allocation	20% Holdback	Additional Holdback (FHFA)	Approved Interim Distribution Amount
79	6160-6212 S Martin Luther King Drive	0066	\$ 672.79	\$ 0.19	\$ 0.36	\$ 673.34	\$ 134.67		\$ 538.67
80	2736-44 W 64th Street	0488	\$ 528.37	\$ 0.10	\$ 0.19	\$ 528.66	\$ 105.73		\$ 422.93
81	4315-19 S Michigan Avenue	0900	\$ 489.63	\$ 0.21	\$ 0.39	\$ 490.23	\$ 98.05		\$ 392.18
82	6355-59 S Talman Avenue	0520	\$ 416.13	\$ 0.13	\$ 0.27	\$ 416.53	\$ 83.31		\$ 333.22
83	6356 S California Avenue	0538	\$ 471.52	\$ 0.09	\$ 0.17	\$ 471.78	\$ 94.36		\$ 377.42
84	7051 S Bennett Avenue	0553	\$ 426.04	\$ 0.15	\$ 0.28	\$ 426.47	\$ 85.29		\$ 341.18
85	7201-07 S Dorchester Avenue	0579	\$ 662.25	\$ 0.12	\$ 0.23	\$ 662.60	\$ 132.52		\$ 530.08
86	7442-54 S Calumet Avenue	0975	\$ 572.95	\$ 0.13	\$ 0.26	\$ 573.34	\$ 114.67		\$ 458.67
87	7508 S Essex Avenue	0587	\$ 791.52	\$ 0.18	\$ 0.35	\$ 792.05	\$ 158.41		\$ 633.64
88	7546-48 S Saginaw Avenue	0355	\$ 869.30	\$ 0.15	\$ 0.29	\$ 869.74	\$ 173.95		\$ 695.79
89	7600-10 S Kingston Avenue	0298	\$ 717.42	\$ 0.37	\$ 0.71	\$ 718.50	\$ 143.70		\$ 574.80
90	7656-58 S Kingston Avenue	0306	\$ 491.03	\$ 0.07	\$ 0.15	\$ 491.25	\$ 98.25		\$ 393.00
91	7701-03 S Essex Avenue	0918	\$ 409.69	\$ 0.17	\$ 0.32	\$ 410.18	\$ 82.04		\$ 328.14
92	7748-52 S Essex Avenue	0215	\$ 1,128.84	\$ 0.32	\$ 0.62	\$ 1,129.78	\$ 225.96		\$ 903.82
93	7957-59 S Marquette Road	0595	\$ 407.39	\$ 0.08	\$ 0.16	\$ 407.63	\$ 81.53		\$ 326.10
94	816-22 E Marquette Road	0926	\$ 672.50	\$ 0.19	\$ 0.37	\$ 673.06	\$ 134.61		\$ 538.45
95	8201 S Kingston Avenue	0314	\$ 406.31	\$ 0.10	\$ 0.18	\$ 406.59	\$ 81.32		\$ 325.27
96-99	8326-58 S Ellis Avenue	0322	\$ 766.92	\$ 0.39	\$ 0.74	\$ 768.05	\$ 153.61		\$ 614.44
100	11117-11119 S Longwood Drive	0454	\$ 825.30	\$ 0.42	\$ 0.81	\$ 826.53	\$ 165.31		\$ 661.22
101	6949-59 S Merrill Avenue	0330	\$ 3,284.96	\$ 0.37	\$ 0.70	\$ 3,286.03	\$ 657.21		\$ 2,628.82
102-106	7927-49 S Essex Avenue	0041	\$ 693.50	\$ 0.21	\$ 0.40	\$ 694.11	\$ 138.82		\$ 555.29
107	1422-24 East 68th Street	0934	\$ 993.24	\$ 0.10	\$ 0.18	\$ 993.52	\$ 198.70		\$ 794.82
108	2800-06 E 81st Street	0942	\$ 1,460.51	\$ 0.10	\$ 0.20	\$ 1,460.81	\$ 292.16		\$ 1,168.65
109	4750-52 S Indiana Avenue	0959	\$ 414.78	\$ 0.17	\$ 0.32	\$ 415.27	\$ 83.05		\$ 332.22
110	5618-20 S Martin Luther King Drive	0504	\$ 544.77	\$ 0.16	\$ 0.30	\$ 545.23	\$ 109.05		\$ 436.18
111	6554-58 S Vernon Avenue	0546	\$ 524.19	\$ 0.14	\$ 0.27	\$ 524.60	\$ 104.92		\$ 419.68
112	7450 S Luella Avenue	0249	\$ 496.82	\$ 0.07	\$ 0.13	\$ 497.02	\$ 99.40		\$ 397.62
113	7840-42 S Yates Avenue	0967	\$ 1,450.40	\$ 0.08	\$ 0.16	\$ 1,450.64	\$ 290.13		\$ 1,160.51
115	431 E 42nd Place	0983	\$ 519.46	\$ 0.02	\$ 0.04	\$ 519.52	\$ 103.90		\$ 415.62
116	1102 Bingham (Houston, TX)	0074	\$ 2,347.56	\$ 0.21	\$ 0.41	\$ 2,348.18	\$ 469.64		\$ 1,878.54
Total			\$ 84,443.93			\$ 84,443.51	\$ 16,888.68	\$ 19,076.08	\$ 48,478.75