

**UNITED STATES DISTRICT COURT  
FOR THE Northern District of Illinois – CM/ECF NextGen 1.7.1.1  
Eastern Division**

United States Securities and Exchange  
Commission, et al.

Plaintiff,

v.

Case No.:  
1:18-cv-05587  
Honorable Manish S.  
Shah

Equitybuild, Inc., et al.

Defendant.

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**NOTIFICATION OF DOCKET ENTRY**

This docket entry was made by the Clerk on Tuesday, August 29, 2023:

MINUTE entry before the Honorable Manish S. Shah: No objections or responses to the Receiver's proposed distribution plan for Group 3 Claims have been received. The court agrees with the Receiver that the investor lenders have secured interests (at a minimum under equitable principles because of the representations in the promissory notes and the appearances of mortgage instruments). The balances are less than the principal owed to the claimants and the court rejects claims for interest, fees, and penalties. The court agrees that credits or setoffs should be applied for distributions previously received, because of the Ponzi-scheme nature of the fraud and the horizontal fairness and administrability achieved across claimants by accounting for distributions received by individual investors. The City of Chicago's claim is disallowed, based on the Receiver's receipt of a payment certificate. Allred's claim is disallowed, based on his role in perpetuating the scheme. The Young claim is withdrawn; the White Tiger claim will be considered against the subsequent loan; and the court accepts the Receiver's combination of the Vagmi LLC claims, and cancellation of duplicate claims. In sum, the court accepts the Receiver's proposal for Group 3 distributions. The Receiver's 20th Fee application is being briefed; the court hopes that Group 3 distributions can be finalized upon a ruling on that application. Notices mailed. (psm, )

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