

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

UNITED STATES SECURITIES)	
AND EXCHANGE COMMISSION,)	
)	
Plaintiff,)	No. 18-cv-5587
)	
v.)	Hon. Manish S. Shah
)	
EQUITYBUILD, INC., EQUITYBUILD)	
FINANCE, LLC, JEROME H. COHEN,)	
and SHAUN D. COHEN,)	
)	
Defendants.)	

**ORDER GRANTING RECEIVER’S MOTION TO
APPROVE SETTLEMENT AND RELEASE AGREEMENT
WITH ROCK FUSCO & CONNELLY, LLC AND IOANA SALAJANU
AND TO AUTHORIZE PAYMENT OF CONTINGENCY FEE AND COSTS
TO RECEIVER’S COUNSEL**

This matter came before the Court upon the Receiver’s Motion to Approve Settlement and Release Agreement with Rock Fusco & Connelly, LLC and Ioana Salajanu (collectively, “RFC”) and to Authorize Payment of Contingency Fee and Costs to Receiver’s Counsel [ECF No. 1803] (the “Motion”). No objections to the motion were filed during the 21-day period the Court granted for responses to the Receiver's motion [ECF No. 1816]. The Court, having considered the Motion and the record of this receivership action and being otherwise duly advised in the premises, hereby finds and orders as follows:

1. The Motion [ECF No. 1803] is GRANTED.
2. The Court finds that the Settlement and Release Agreement, attached as Exhibit A to the Motion, is reasonable, fair, adequate, and in the best interest of the Receivership Estate.
3. The Court confirms the Receiver’s authority to enter into the Settlement and Release Agreement.

4. The Court finds that the Receiver and RFC have agreed to the settlement in good faith and that RFC is paying, through its insurers, a fair share of the potential damages for which the RFC Parties are alleged to be liable, though they deny any wrongdoing or liability, and no court has determined there to be any wrongdoing or liability.

5. The Court hereby permanently bars, restrains, and enjoins any Barred Persons from engaging in any Barred Conduct against the RFC Parties (as defined in the Settlement and Release Agreement) with respect to the Barred Claims, as those terms are defined hereunder:

- a. “Barred Persons” means: any person or entity who submitted a claim in the Receivership Action, including but not limited to all persons or entities identified on Exhibits 5-6 of “The Receiver’s Twenty-First Status Report (Third Quarter 2023)” (*see* Dkt. 1535), and their assigns and/or subrogees;
- b. “Barred Conduct” means: instituting, reinstating, intervening in, initiating, commencing, maintaining, continuing, filing, encouraging, soliciting, supporting, participating in, collaborating in, assisting, otherwise prosecuting, or otherwise pursuing or litigating in any case, forum, or manner, whether pre-judgment or post-judgment, or enforcing, levying, employing legal process, attaching, garnishing, sequestering, bringing proceedings supplementary to execution, collecting, or otherwise recovering, by any means or in any manner, based upon any liability or responsibility, or asserted or potential liability or responsibility, directly or indirectly, or through a third party, relating in any way to the Barred Claims;
- c. “Barred Claims” means: any and all claims, actions, lawsuits, causes of action, investigations, demands, complaints, cross claims, counter claims, or third party claims or proceedings of any nature, including, but not limited to, litigation,

arbitration, or other proceedings, in any federal or state court, or in any other court, arbitration forum, administrative agency, or other forum in the United States, whether arising under local, state, federal, or foreign law, that in any way relate to, are based upon, arise from, or are connected with: (i) claims released in the Settlement Agreement; (ii) the events or occurrences underlying the claims or allegations in the SEC Action, or claims or allegations that could have been brought in the SEC Action; (iii) the RFC Parties' representation of EquityBuild (as defined in the Settlement and Release Agreement), including but not limited to statements made by the RFC Parties to third parties in connection to loans made to EquityBuild; or (iv) the events or occurrences underlying the claims or allegations in the Receiver's Action, or claims or allegations that could have been brought in the Receiver's Action. The foregoing specifically includes any claim, however denominated, seeking contribution, indemnity, damages, or other remedy where the alleged injury to any person, entity, or other party, or the claim asserted by any person, entity, or other party, is based upon any of the Barred Claims whether pursuant to a demand, judgment, claim, agreement, settlement, or otherwise;

- d. The provisions of Paragraph 5 of this Order do not apply to: (i) the United States of America, its agencies or departments, or to any state or local government; and (ii) the Settling Parties' respective obligations under the Settlement Agreement.
- e. Nothing in this Approval Order is or will be construed to be an admission or concession of any violation of any statute or law, of any fault, liability, or wrongdoing, or of any infirmity in the claims or defenses of the Receiver or RFC

with regard to any case or proceeding, including but not limited to the Receiver's Action.

- f. The provisions of this Approval Order will not be impaired, modified, or otherwise affected in any manner other than by direct appeal of this Approval Order, or motion for reconsideration or rehearing thereof, made in accordance with the Federal Rules of Civil Procedure.
- g. Pursuant to Fed. R. Civ. P. 54(b), and the Court's authority in this equity receivership to issue ancillary relief, this Approval Order is a final order for all purposes, including, without limitation, for purposes of the time to appeal or to seek rehearing or reconsideration.
- h. Any party, attorney, or other person who acts in a manner contradictory to the claims bar provisions in this Approval Order may be subject to such remedies for contempt as the Court may deem appropriate.

6. The Court finds that the contingency fee amount for the Receiver's counsel is fair and reasonable and that they are entitled to a total payment of \$3,493,342.54, representing the total of the approved contingency fee plus expenses (comprising \$3,406,550.00 in fees and \$86,792.54 in expenses) from the \$9,733,000.00 settlement amount.

7. The Court approves: (i) the settlement payment in the amount of Ten Million Dollars (USD) (\$10,000,000.00), minus legal fees and costs incurred by RFC as of September 30, 2024, which total \$254,144.90, minus an additional amount of \$12,855.10 (USD) in reasonable legal fees and costs incurred by RFC from October 1, 2024 through the date the Approval Order becomes Final (as defined in the Settlement and Release Agreement) to be made by RFC, through its insurers, to the Receiver's Account; and (ii) upon the Receiver's receipt of the Settlement

Amount from RFC, and without further order of the Court, the Receiver's immediate payment of \$3,493,342.54, representing the total of the approved contingency fee plus expenses, from the Receiver's Account to the client fund account of Spellmire Bruck LLP to be thereafter split between the engaged counsel in accordance with their agreement as set forth in the engagement letter.

8. The Court finds that the Receiver has given fair, adequate, and sufficient notice of the Motion to all interested parties.

9. The Court shall retain exclusive jurisdiction over all matters concerning the Settlement and Release Agreement, including without limitation the enforcement thereof.

ORDERED in the United States District Court
for Northern District of Illinois, Eastern Division,
on this 24th day of January, 2025.



UNITED STATES DISTRICT COURT JUDGE