

conference and will, of course, participate in any such settlement conference in good faith.

The Receiver believes that any concern raised associated with Judge Shah's participation in a settlement conference based on his role as the factfinder is inapplicable because this Court has already ruled on Group 6. (Dkt. 1818) The Receiver further believes that the Court's intimate knowledge and work on the Receivership and the claims process in particular places it in a uniquely good position to assist the parties in the resolution of these claims. Nonetheless, the Receiver continues to believe a settlement conference with respect to Midland's claim would be productive, and has no reservations regarding participating in such a conference if it is presided over by Magistrate Judge Kim or another judge.

2. Properties 108-113 (the "UBS Properties")

On February 11, 2025, the Receiver filed his Motion to Approve Distributions pursuant to a negotiated agreement with institutional lender UBS AG. (Dkt. 1839) On February 12, 2025, the Court ordered that any objections to the proposed Group 6 settlement and distributions must be filed by February 18, 2025, and, if no objections were filed, the motion would be considered unopposed. (Dkt. 1841) No objections were filed and the Receiver did not receive any objections directly from claimants. Accordingly, this week the Receiver will submit a proposed order for entry.

B. Claim Group 7

1. Property 2

Based on exchanges with counsel for the institutional lender, the Receiver understands that institutional lender BMO Bank would like to participate in a settlement conference regarding its claim to the proceeds from the sale of 4533 S Calumet (Property 2), and title insurer WFG National Title Insurance Company will also attend, but requests that they be permitted to attend remotely.

Counsel for certain of the investor lenders has also expressed an interest in such a conference. There has been no issue raised regarding such discussion proceeding before this Court. Accordingly, the Receiver requests that the Court schedule a settlement conference regarding 4533 S Calumet, with an order that all necessary participants be in attendance.

2. Properties 69, 70, 73

The Receiver has been in discussions (a) with institutional lender Citibank N.A. with respect to the properties located at 6250 S Mozart (Property 69) and 7255 S Euclid (Property 73), and (b) with institutional lender Sabal Capital with respect to the property located at 638 N Avers (Property 70), regarding the potential resolution of their claims and other claims to the proceeds from the sale of those respective properties. These institutional lenders have common counsel, all of whom have indicated their agreement to participate in a settlement conference. Counsel for certain of the investor lenders has expressed an interest in participating in such a conference.

The same title insurer involved in the Midland Properties is involved with respect to all three of these properties, and has made the same statement in regards to a settlement conference, namely:

Chicago Title prefers settlement discussions to be presided over by a Magistrate Judge rather than the Court which will be sitting as a factfinder. However, if this matter cannot or will not be referred to Judge Kim or another Magistrate Judge, then Chicago Title consents to appearing before Judge Shah for a settlement conference and will, of course, participate in any such settlement conference in good faith.

The Receiver believes that any concern raised associated with Judge Shah's participation in a settlement conference here based on his role as the factfinder is neither applicable nor well-founded. First, this Court at various points has indicated that its decision on Group 6 (Dkt. 1818) may act as a preview of its decision on Group 7. Having ruled on Group 6, all parties are aware of the Court reaching a similar decision on Group 7. Second, and as evidenced by the recent and

productive settlement conference held regarding Group 8, the Receiver further believes that the Court's intimate knowledge and work on the Receivership and the claims process places it in a uniquely good position to assist the parties in the resolution of these claims. Nonetheless, the Receiver continues to believe a settlement conference with respect to these claims would be productive, and has no reservations regarding participating in such a conference if it is presided over by Magistrate Judge Kim or another judge.

3. Property 64

As reported in the Receiver's February 12, 2025 status report to the Court (Dkt. 1844), the Receiver and institutional lender Citibank N.A. reached an agreement in principle with respect to the property located at 4611 S Drexel (Property 64). The Receiver has prepared a draft Motion to Approve Distributions pursuant to this agreement, which he has shared with counsel for Citibank and is awaiting Citibank's approval to file.

C. Claim Group 8 (Properties 80-96)

The Receiver is happy to report that a settlement in principle has been reached based on discussions between the Receiver and counsel for the institutional lender, and is in the process of further communicating with the various participants in the February 13, 2025 settlement conference in regards to the proposed resolution. The Receiver anticipates submitting a motion setting forth his recommendation associated with the proposed resolution, and seeking approval of such distributions as soon as this week.

Dated: February 25, 2025

Respectfully submitted,

Kevin B. Duff, Receiver

By: /s/ Michael Rachlis

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CERTIFICATE OF SERVICE

I hereby certify that on February 25, 2025, I electronically filed the foregoing **Receiver's Status Report On Settlement For Claim Groups 6-8** with the Clerk of the United States District Court for the Northern District of Illinois, using the CM/ECF system, which provided service to all counsel of record.

I further certify that I caused true and correct copy of the foregoing **Status Report** to be served by electronic mail upon all individuals or entities that submitted a proof of claim in this action (sent to the e-mail address each claimant provided on the claim form or subsequently updated).

I further certify that the **Status Report** will be posted to the Receivership webpage at: <http://rdaplawnet.com/receivership-for-equitybuild>.

/s/ Michael Rachlis _____

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