

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

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
Plaintiff,	)	Civil Action No. 18-CV-5587
v.	)	
	)	Hon. John Z. Lee
EQUITYBUILD, INC.,	)	
EQUITYBUILD FINANCE, LLC,	)	
JEROME H. COHEN, and	)	Magistrate Judge Young B. Kim
SHAUN D. COHEN,	)	
	)	
Defendants.	)	

**ORDER GRANTING RECEIVER'S FOURTH MOTION FOR  
APPROVAL OF THE SALE OF CERTAIN REAL ESTATE AND AVOIDANCE  
OF CERTAIN MORTGAGES, LIENS, CLAIMS, AND ENCUMBRANCES**

WHEREAS, this Court took exclusive jurisdiction and possession of the assets of 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") by Order Appointing Receiver, dated August 17, 2018 ("Order Appointing Receiver") (Dkt. No. 16);

WHEREAS, by Order dated March 14, 2019, this Court identified SSDF5 Portfolio 1 LLC ("SSDF5 Portfolio 1") and SSDF7 Portfolio 1 LLC ("SSDF7 Portfolio 1") as additional Receivership Defendants;

WHEREAS, SSDF5 Portfolio 1 is the owner of record of the real estate located at 7625-33 South East End Avenue in Chicago, Illinois ("7625-33 South East End"), the property located at 7635-43 South East End Avenue in Chicago, Illinois ("7635-43 South East End"), and the property located at 7750-58 South Muskegon Avenue in Chicago, Illinois ("7750-58 South

Muskegon"), whose commonly known addresses, permanent index numbers, and legal descriptions are contained on Tab A hereto;

WHEREAS, SSDF7 Portfolio 1 is the owner of record of the real estate located at 7748-52 South Essex in Chicago, Illinois ("7748-52 South Essex"), whose commonly known address, permanent index number, and legal description is also contained on Tab A hereto;

WHEREAS, the Court finds that the sales prices reflected in the Purchase And Sale Agreements that the Receiver has accepted for the conveyances of 7625-33 South East End, 7635-43 South East End, 7750-58 South Muskegon, and 7748-52 South Essex (collectively, the "Properties") are consistent with the fair market value of the Properties;

WHEREAS, Kevin B. Duff, as receiver ("Receiver") for the Receivership Defendants, has filed a Fourth Motion For Approval Of The Sale Of Certain Real Estate And The Avoidance Of Certain Mortgages, Liens, Claims, And Encumbrances (the "Motion"); and

WHEREAS, the Court finds that Receiver has given fair, adequate, and sufficient notice to all interested parties, including all mortgagees affected by the Motion.

NOW, THEREFORE, it is hereby ORDERED that:

1. The Receiver's Motion is GRANTED.
2. The Receiver is authorized to sell the real property and improvements at 7625-33

South East End free and clear of:

- a. that certain Mortgage recorded January 21, 2016 as Document No. 1602156229 made by EquityBuild, Inc. to Brad Lutz and Linda Lutz, as to an undivided 24.78% interest; Asians Investing in Real Estate, LLC, as to an undivided 3.11% interest; Self-Directed IRA Services Inc. FBO David Geldart, as to an undivided 6.69% interest; iPlanGroup Agent for Custodian FBO Lorenzo Jaquias IRA, as to an

undivided 3.11% interest; Edge Investments, LLC, as to an undivided 10.97% interest; KKW Investments, LLC, as to an undivided 4.67% interest; Peter P. Nuspl, as to an undivided 13.52% interest; Pittman Gold, LLC, as to an undivided 9.34% interest; Steve Bald, as to an undivided 3.11% interest; iPlanGroup Agent for Custodian FBO Jacqueline Rowe IRA, as to an undivided 12.46% interest; Michael James Guilford and Nancy Richard-Guilford, as to an undivided 5.76% interest; and Knickerbocker, LLC, as to an undivided 2.47% interest, to secure a note in the originally stated principal amount of \$1,605,749.00, and to the terms and conditions thereof;

b. that certain Mortgage recorded September 29, 2017, as Document No. 1727219056 made by SSDF5 Portfolio 1 to BC57, LLC ("BC57"), to secure a note in the originally stated principal amount of \$5,328,433.43, and to the terms and conditions thereof;

c. that certain Assignment of Rents made by SSDF5 Portfolio 1 to BC57, recorded September 29, 2017 as Document No. 1727219057;

d. that certain Financing Statement evidencing an indebtedness from SSDF5 Portfolio 1 to BC57, filed on September 29, 2017 as Document No. 1727219058;

e. that certain Corrective Mortgage recorded October 4, 2017 as Document No. 1727715135 made by SSDF5 Portfolio 1 to BC57, to secure a note in the originally stated principal amount of \$5,328,433.43, and to the terms and conditions thereof;

f. that certain Corrective Assignment of Rents made by SSDF5 Portfolio 1 to BC57, recorded October 4, 2017 as Document No. 1727715136; and

g. that certain claim for a property management lien in the amount of \$15,722.65 plus interest recorded April 25, 2018 as Document No. 1811519134 by Chicago Real Estate Resources Inc.

3. The Receiver is authorized to sell the real property and improvements at 7635-43 South East End free and clear of:

a. that certain Mortgage recorded January 21, 2016 as Document No. 1602156231 made by EquityBuild, Inc. to Leah Matthews, as to an undivided 4.23% interest, Michael James Guilford and Nancy Richard-Guilford, as to an undivided 3.37% interest, iPlanGroup Agent for Custodian FBO Laura Dirnberger IRA, as to an undivided 0.59% interest, Equity Trust Company Custodian FBO Dorothy Marie Baker IRA, as to an undivided 0.59% interest, Paul N. Wilmesmeier, as to an undivided 2.93% interest, Robert Guiney, as to an undivided 1.06% interest, Equity Trust Company Custodian FBO Nagaraja R Rao IRA, as to an undivided 6.46% interest, John E. Bloxham, as to an undivided 2.93% interest, Asians Investing in Real Estate, LLC, as to an undivided 1.47% interest, Tiger Chang Investments, LLC, as to an undivided 1.47% interest, CAMA SDIRA LLC FBO Frank Starosciak IRA, as to an undivided 0.99% interest, Self-Directed IRA Services Inc. FBO James Clements, as to an undivided 1.17% interest, Manoj Donthineni, as to an undivided 2.58% interest, Carolyn Ucker, as to an undivided 1.47% interest, Self-Directed IRA Services Inc. FBO David Geldart, as to an undivided 0.70% interest, QCH Investment Trust, as to an undivided 2.93% interest, Total Return Income Fund, LLC, as to an undivided 30.52% interest, The Income Fund, LLC, as to an undivided 4.70% interest, Umbrella Investment Partners, LLC, as to an undivided 0.76% interest, GRB Properties LLC, as to an undivided 2.47% interest, Jeffrey M. Edwards, as to an undivided 2.93%

interest, Cecilia Wolff, as to an undivided 1.47% interest, Trey Hopkins, as to an undivided 5.87% interest, iPlanGroup Agent for Custodian FBO Winnie Quick IRA, as to an undivided 0.65% interest, Arthur L. Bertrand and Dinah F. Bertrand, as to an undivided 12.76% interest, iPlanGroup Agent for Custodian FBO Timothy J. Goree IRA, as to an undivided 2.93% interest, to secure a note in the originally stated principal amount of \$1,703,649.00, and to the terms and conditions thereof.

b. that certain Mortgage recorded September 29, 2017, as Document No. 1727219056 made by SSDF5 Portfolio 1 to BC57 to secure a note in the originally stated principal amount of \$5,328,433.43, and to the terms and conditions thereof;

c. that certain Assignment of Rents made by SSDF5 Portfolio 1 to BC57, recorded September 29, 2017 as Document No. 1727219057;

d. that certain Financing Statement evidencing an indebtedness from SSDF5 Portfolio 1 to BC57, filed on September 29, 2017 as Document No. 1727219058;

e. that certain Corrective Mortgage recorded October 4, 2017 as Document No. 1727715135 made by SSDF5 Portfolio 1 to BC57, to secure a note in the originally stated principal amount of \$5,328,433.43, and to the terms and conditions thereof;

f. that certain Corrective Assignment of Rents made by SSDF5 Portfolio 1 to BC57, recorded October 4, 2017 as Document No. 1727715136;

g. that certain claim for a property management lien in the amount of \$6,788.02 plus interest recorded April 25, 2018 as Document No. 1811519133 by Chicago Real Estate Resources Inc., and

h. that certain claim for a mechanic's lien in the amount of \$13,250.00, plus interest recorded August 27, 2018 as Document No. 1823945053 by JK Electron Inc.

4. The Receiver is authorized to sell the real property and improvements at 7750-58 South Muskegon free and clear of:

a. that certain Mortgage recorded January 16, 2015 as Document No. 1501656187, and re-recorded as Document No. 1504856045 made by EquityBuild, Inc. to Mark E. Young, as to an undivided 4.44% interest; The Kingdom Trust Company, Custodian, FBO Louis Duane Velez, Account #7422686172, as to an undivided 4.44% interest; The Edward Falkowitz Living Trust, as to an undivided 4.93% interest; TFG Retirement Trust, as to an undivided 2.04% interest; Paul Wilmesmeier, as to an undivided 2.22% interest; Terry L. Merrill & Sheryl R. Merrill, as to an undivided 2.22% interest; Walter Akita, as to an undivided 2.22% interest; Alton P. Motes Trust UTA 12-15-11, as to an undivided 1.91% interest; American Estate & Trust LC FBO Robert Mennella, as to an undivided 2.22% interest; Steven and Linda Lipshultz, as to an undivided 4.44% interest; Mark Mouty, as to an undivided 2.22% interest; The Income Fund, LLC, as to an undivided 6.67% interest; Quest IRA, Inc. FBO Francis Webb IRA #1437711, as to an undivided 2.22% interest; Penny Adams, as to an undivided 3.33% interest; Daniel J Martineau, as to an undivided 4.44% interest; Equity Trust Company Custodian FBO Henry D. Gallucci beneficiary of DCD Victoria E. Gallucci IRA, as to an undivided 2.67% interest; Equity Trust Company Custodian FBO Gavin Maher CESA, as to an undivided 0.67% interest; Equity Trust Company Custodian FBO Travis Maher CESA, as to an undivided 0.44% interest; Equity Trust Company Custodian FBO Avery Maher CESA, as to an undivided 0.49% interest; Christopher Maher, as to an undivided 0.62% interest; Christopher Wilson and Brittny Niosi, as to an undivided 2.22% interest; Self Directed IRA Services, Inc., Custodian FBO Ping Liu IRA, as to an undivided 2.22% interest; Scott E.

Pammer, as to an undivided 3.11% interest; Jeremy Hemphill, as to an undivided 2.22% interest; The Celia Tong Revocable Living Trust, dated December 22, 2011, as to an undivided 1.11% interest; iPlanGroup Agent for Custodian FBO Ed Bancroft IRA, as to an undivided 0.89% interest; Donald J and April L. Wegrzyn, as to an undivided 2.22% interest; Fraser Realty Investments, LLC, as to an undivided 4.44% interest; Hillside Fund, LLC, as to an undivided 5.55% interest; Matthew T. Boyd, as to an undivided 2.22% interest; H Derrick, LLC, as to an undivided 4.44% interest; Arthur L and Dinah F Bertrand, as to an undivided 4.44% interest; The Anchor Group LLC, as to an undivided 1.11% interest; Gary Burnham Solo 401K Trust, as to an undivided 4.44% interest; Deborah Mullica, as to an undivided 3.66% interest and John Wysocki, as to an undivided 0.79% interest, to secure a note in the originally stated principal amount of \$2,250,000.00, and to the terms and conditions thereof;

b. those certain Assignments Of Partial Interest In Mortgage recorded as Document Nos. 1728613040, 1728613041, 1728613042, 1728613043, 1728613044, and 1728613045;

c. that certain Mortgage recorded September 29, 2017, as Document No. 1727219056 made by SSDF5 Portfolio 1 to BC57 to secure a note in the originally stated principal amount of \$5,328,433.43, and to the terms and conditions thereof;

d. that certain Assignment of Rents made by SSDF5 Portfolio 1 to BC57, recorded September 29, 2017 as Document No. 1727219057;

e. that certain Financing Statement evidencing an indebtedness from SSDF5 Portfolio 1 to BC57, filed on September 29, 2017 as Document No. 1727219058;

f. that certain Corrective Mortgage recorded October 4, 2017 as Document No. 1727715135 made by SSDF5 Portfolio 1 to BC57, to secure a note in the originally stated principal amount of \$5,328,433.43, and to the terms and conditions thereof; and

g. that certain Corrective Assignment of Rents made by SSDF5 Portfolio 1 to BC57, recorded October 4, 2017 as Document No. 1727715136;

5. The Receiver is authorized to sell the real property and improvements at 7748-52 South Essex free and clear of:

a. that certain Mortgage recorded May 10, 2016 as Document No. 1613150106 made by EquityBuild, Inc. to Kyle Jacobs, as to an undivided 2.36% interest; LMJ Sales, Inc., as to an undivided 1.63% interest; Equity Trust Company Custodian FBO Julie Elaine Fogle IRA, as to an undivided 1.82% interest; Cecilia Wolff, as to an undivided 0.55% interest; CM Group, LLC, as to an undivided 0.91% interest; Lola S. Cooper, as to an undivided 4.00% interest; Francisco Fernandez, as to an undivided 1.82% interest; Michael Prokop, as to an undivided 1.82% interest; 2nd City Solo 401K Trust, as to an undivided 0.73% interest; Summit Trust Company, Trustee David R. Theil MD PS PL Profit Sharing Keogh FBO David R. Theil Plan Administer, as to an undivided 1.13% interest; Applefield Family Trust, as to an undivided 1.09% interest; Paul S. Applefield DDS 401k Plan, as to an undivided 0.73% interest; Paul N. Wilmesmeier, as to an undivided 2.73% interest; Phyllis Harte, as to an undivided 0.73% interest; Quest IRA, Inc. FBO Steven K. Chennappan IRA # 17293-31, as to an undivided 0.65% interest; Heidi Liu, as to an undivided 1.82% interest; Cheryl L. Pammer, as to an undivided 1.49% interest; Liwen Zhao, as to an undivided 4.65% interest; iPlanGroup Agent for Custodian FBO Liwen Zhao IRA, as to an undivided 1.02% interest; John Witzigreuter, as to an



undivided 1.82% interest; The Entrust Group Inc. fbo Marjorie Jean Sexton IRA# 7230013060, as to an undivided 0.11% interest; Equity Trust Company, Custodian FBO Richard L. Braddock IRA, as to an undivided 1.82% interest; iPlanGroup Agent For Custodian FBO Ken Jorgensen IRA, as to an undivided 4.42% interest; Calvin L. Goad II and Leisa A. Goad JTWROS, as to an undivided 10.91% interest; Quest IRA, Inc. FBO Nandini S. Chennappan IRA # 18476-11, as to an undivided 0.20% interest; iPlanGroup Agent for Custodian FBO Gerry Recamara IRA, as to an undivided 2.00% interest; NEHASRI LTD, as to an undivided 0.91% interest; Rene Hribal, as to an undivided 6.55% interest; Asians Investing in Real Estate LLC, as to an undivided 4.73% interest; Mark Young, as to an undivided 1.09% interest; Tim Sharp, as to an undivided 3.64% interest; Michael Grant and Gretchen Grant JTWROS, as to an undivided 7.64% interest; Blessing Strategies, LLC, as to an undivided 0.25% interest; Larry W. White, as to an undivided 1.82% interest; CAMA Plan F.B.O Judith D. Ferrara, Roth IRA, as to an undivided 9.09% interest; Petra Zoeller, as to an undivided 2.55% interest; Self-Directed IRA Services Inc. FBO James Clements, as to an undivided 1.82% interest; Pittman Gold, LLC, as to an undivided 0.44% interest; Shelton Family Trust, as to an undivided 1.09% interest; Ranell Durgan, as to an undivided 1.82% interest; and EquityBuild, Inc., as to an undivided 2.50% interest, to secure a note in the originally stated principal amount of \$2,750,000.00, and to the terms and conditions thereof;

b. that certain Assignment Of Partial Interest In Mortgage recorded as Document No. 1728613037;

c. that certain Mortgage recorded May 7, 2018 as Document 1812734048 made by SSDF7 Portfolio 1 to Liberty EBCP, LLC ("Liberty EBCP"), to secure a note in

the originally stated principal amount of \$18,400,000.00, and to the terms and conditions thereof;

d. that certain Assignment of Rents made by SSDF7 Portfolio 1 to Liberty EBCP, recorded May 7, 2018 as Document No. 1812734049;

e. that certain Financing Statement evidencing an indebtedness from SSDF7 Portfolio 1 to Liberty EBCP, filed May 7, 2018 as Document No. 1812734050; and

f. That certain lis pendens recorded as Document No. 1822706115 in the action entitled *Michigan Shore Apartments LLC v. EquityBuild, Inc., et al.*, Circuit Court of Cook County, Illinois, Case No. 2018--CH-09098

6. The Receiver is hereby vested with full power and authority to execute any and all closing documents associated with the conveyances of the Properties, including, but not limited to, deeds, bills of sale, affidavits of title, and settlement statements.

7. The proceeds from the sales of the Properties shall be held by the Receiver in separate subaccounts for which the Receiver shall maintain an accounting as to all sums deposited therein, and shall not be available for operating expenses of the Receivership nor for any other expense or distribution, absent further order of Court.

Entered: 12/12/19



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The Honorable John Z. Lee