

**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

**ORDER GRANTING RECEIVER’S TWENTY-THIRD FEE APPLICATION
AND PARTIALLY APPROVING PAYMENT OF FEES, EXPENSES AND
PREVIOUSLY HELD-BACK FEES**

WHEREAS, on May 14, 2024, the Receiver filed his Twenty-Third Interim Application and Motion for Court Approval of Payment of Fees and Expenses of Receiver and Receiver’s Retained Professionals for the First Quarter of 2024 (Dkt. 1660);

WHEREAS, on May 31, 2024, the Court overruled the objections to the Receiver’s Twenty-Third Fee Application and granted Receiver’s Twenty-Third Fee Application (Dkt. 1671).

WHEREAS, previous orders of the Court stayed the distribution of all fees allocated to the properties subject to objections from the Federal Housing Finance Agency (“FHFA”), namely 1131-41 E 79th Place (Property 67) and 7024 S Paxton Avenue (Property 72). (Dkt. 1372, 1452, 1469, 1510, 1511, 1539, 1573, 1618)

WHEREAS, on May 1, 2024, the Receiver filed a Motion to Approve Distribution of Proceeds from the Sale of Properties 67 and 72. (Dkt. 1653) Among the relief requested was “approval of the payment from the Receiver’s account of the receiver and attorneys’ fees allocated to [Properties 67 and 72] in the Fourth Quarter of 2023 and held back from payment pursuant to

the Court's Order (Dkt. 1618), as well as fees allocated to [Properties 67 and 72] in the current quarter and any subsequent quarters." (Dkt. 1653 at 14).

WHEREAS, on May 28, 2024, the Court entered an Order approving the payment of fees allocated to Properties 67 and 72 but previously held back from payment pursuant to Court Orders (Dkt. 1372, 1452, 1469, 1510, 1511, 1539, 1573), for the period through September 30, 2023 (*i.e.*, the Receiver's 1st through 21st Fee Applications). (Dkt. 1666 at 4) Due to a typographical error in the order submitted by the Receiver and entered by the Court, these previously held back fees for Property 67 erroneously indicated \$126,107.27 instead of the actual amount of \$126,170.27 (compare Dkt. 1666 at 6(a) to Dkt. 1653 at Ex. 1). Accordingly, the Receiver requests an order correcting the amount authorized for payment of fees \$126,170.27.

WHEREAS, the fees allocated to Properties 67 and 72 in the Fourth Quarter of 2023 (22nd Fee Application) that the Court ordered be held back (Dkt. 1618), and the fees allocated to Properties 67 and 72 in the First Quarter of 2024 (23rd Fee Application) (Dkt. 1660 at Ex. J) were not paid from the accounts for those properties, and will be paid from the Receiver's account.

NOW, THEREFORE, for the reasons stated at the May 31, 2024 hearing, 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 Twenty-Third 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 with a holdback of 20% of the fees (but not expenses) requested in the application;
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. \$605.00 to pay Prometheus for the approved expenses set forth on its invoices submitted with the Receiver's Twenty-Third Interim Application;
 - ii. \$6,542.72 to pay Miller Kaplan for the approved expenses set forth on its invoices submitted with the Receiver's Twenty-Third Interim Application (after application of a 20% holdback);
 - iii. \$47,523.38 to pay Rachlis Duff & Peel, LLC for approved fees set forth on its invoices submitted with the Receiver's Twenty-Third Interim Application that have not been allocated to specific properties or previously paid, which amount includes those fees that were allocated to resolved Properties 67 (\$7,502.58) and 72 (\$7,507.73) (after application of a 20% holdback);
 - iv. \$15,735.00 to pay Rachlis Duff & Peel, LLC for approved fees set forth on its invoices submitted with the Receiver's Twenty-Second Interim Application that were allocated to resolved Property 67 (\$7,325.25) and Property 72 (\$8,409.99);
 - v. \$63.00 to Rachlis Duff & Peel to correct for the typographical error in the Court's Order Approving Distribution of Proceeds from the Sale of Properties 67 and 72 (Dkt. 1666); and
 - vi. \$2,040.91 to reimburse Rachlis Duff & Peel, LLC for approved expenses set forth on its invoices submitted with the Receiver's Twenty-Third Interim Application; and

- b) funds from each of the property accounts (after application of a 20% holdback) in the amounts of the “Approved Interim Distribution Amount” set forth in Exhibit A, which is attached hereto and made part of this Order, to the Receiver’s Account in order to pay approved fees to Rachlis Duff & Peel, LLC.
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: June 10, 2024

Exhibit A to 23rd Fee Application Distribution Order

Prop #	Property Address	Account No.	Total Fees Allocated	20% Holdback	Approved Interim Distribution Amount
1	1700-08 W Juneway Terrace	0462	\$ 6,848.00	\$ 1,369.60	\$ 5,478.40
2	4533-47 S Calumet Avenue	0603	\$ 1,691.76	\$ 338.35	\$ 1,353.41
3	5001 S Drexel Boulevard	0033	\$ 13,646.00	\$ 2,729.20	\$ 10,916.80
4	5450-52 S Indiana Avenue	0371	\$ 9,307.33	\$ 1,861.47	\$ 7,445.86
5	7749-59 S Yates Boulevard	0231	\$ 6,708.29	\$ 1,341.66	\$ 5,366.63
6	6437-41 S Kenwood Avenue	0389	\$ 7,432.49	\$ 1,486.50	\$ 5,945.99
7	7109-19 S Calumet Avenue	0280	\$ 945.05	\$ 189.01	\$ 756.04
8	1414-18 East 62nd Place	0991	\$ 396.73	\$ 79.35	\$ 317.38
9	8100 S Essex Avenue	0058	\$ 8,616.60	\$ 1,723.32	\$ 6,893.28
49	7300-04 S St Lawrence Avenue	0397	\$ 5,960.04	\$ 1,192.01	\$ 4,768.03
50	7760 S Coles Avenue	0405	\$ 794.25	\$ 158.85	\$ 635.40
51	1401 W 109th Place	0843	\$ 665.39	\$ 133.08	\$ 532.31
52	310 E 50th Street	1106	\$ 5,347.23	\$ 1,069.45	\$ 4,277.78
53	6807 S Indiana Avenue	1114	\$ 688.42	\$ 137.68	\$ 550.74
54	8000-02 S Justine Street	0413	\$ 675.75	\$ 135.15	\$ 540.60
55	8107-09 S Ellis Avenue	0421	\$ 698.77	\$ 139.75	\$ 559.02
56	8209 S Ellis Avenue	0439	\$ 688.42	\$ 137.68	\$ 550.74
57	8214-16 S Ingleside Avenue	0447	\$ 665.39	\$ 133.08	\$ 532.31
58	5955 S Sacramento Avenue	0116	\$ 3,486.58	\$ 697.32	\$ 2,789.26
59	6001-05 S Sacramento Avenue	0124	\$ 5,367.27	\$ 1,073.45	\$ 4,293.82
60	7026-42 S Cornell Avenue	0132	\$ 6,788.42	\$ 1,357.68	\$ 5,430.74
61	7237-43 S Bennett Avenue	0140	\$ 4,360.51	\$ 872.10	\$ 3,488.41
62	7834-44 S Ellis Avenue	0157	\$ 5,794.32	\$ 1,158.86	\$ 4,635.46
63	4520-26 S Drexel Boulevard	0256	\$ 16,731.10	\$ 3,346.22	\$ 13,384.88
64	4611-17 S Drexel Boulevard	0868	\$ 2,220.08	\$ 444.02	\$ 1,776.06
68	6217-27 S Dorchester Avenue	0876	\$ 1,225.95	\$ 245.19	\$ 980.76
69	6250 S Mozart Street	0512	\$ 1,580.78	\$ 316.16	\$ 1,264.62
70	638-40 N Avers Avenue	0363	\$ 1,195.45	\$ 239.09	\$ 956.36
71	701-13 S 5th Avenue	0165	\$ 3,736.45	\$ 747.29	\$ 2,989.16
73	7255-57 S Euclid Avenue	0884	\$ 2,654.42	\$ 530.88	\$ 2,123.54
74	3074 E Cheltenham Place	0496	\$ 6,113.76	\$ 1,222.75	\$ 4,891.01
75	7625-33 S East End Avenue	0199	\$ 6,078.70	\$ 1,215.74	\$ 4,862.96
76	7635-43 S East End Avenue	0207	\$ 6,062.70	\$ 1,212.54	\$ 4,850.16
77	7750-58 S Muskegon Avenue	0223	\$ 6,128.95	\$ 1,225.79	\$ 4,903.16
78	7201 S Constance Avenue	0561	\$ 6,135.98	\$ 1,227.20	\$ 4,908.78
79	6160-6212 S Martin Luther King Drive	0066	\$ 8,224.46	\$ 1,644.89	\$ 6,579.57
80	2736-44 W 64th Street	0488	\$ 494.25	\$ 98.85	\$ 395.40
81	4315-19 S Michigan Avenue	0900	\$ 1,074.44	\$ 214.89	\$ 859.55
82	6355-59 S Talman Avenue	0520	\$ 2,103.39	\$ 420.68	\$ 1,682.71
83	6356 S California Avenue	0538	\$ 1,453.45	\$ 290.69	\$ 1,162.76
84	7051 S Bennett Avenue	0553	\$ 363.58	\$ 72.72	\$ 290.86
85	7201-07 S Dorchester Avenue	0579	\$ 594.80	\$ 118.96	\$ 475.84
86	7442-54 S Calumet Avenue	0975	\$ 878.04	\$ 175.61	\$ 702.43
87	7508 S Essex Avenue	0587	\$ 839.45	\$ 167.89	\$ 671.56
88	7546-48 S Saginaw Avenue	0355	\$ 1,922.09	\$ 384.42	\$ 1,537.67
89	7600-10 S Kingston Avenue	0298	\$ 1,911.52	\$ 382.30	\$ 1,529.22
90	7656-58 S Kingston Avenue	0306	\$ 699.94	\$ 139.99	\$ 559.95
91	7701-03 S Essex Avenue	0918	\$ 418.46	\$ 83.69	\$ 334.77
92	7748-52 S Essex Avenue	0215	\$ 2,847.72	\$ 569.54	\$ 2,278.18

Exhibit A to 23rd Fee Application Distribution Order

Prop #	Property Address	Account No.	Total Fees Allocated	20% Holdback	Approved Interim Distribution Amount
93	7957-59 S Marquette Road	0595	\$ 1,967.16	\$ 393.43	\$ 1,573.73
94	816-22 E Marquette Road	0926	\$ 1,370.14	\$ 274.03	\$ 1,096.11
95	8201 S Kingston Avenue	0314	\$ 214.14	\$ 42.83	\$ 171.31
96-99	8326-58 S Ellis Avenue	0322	\$ 3,355.99	\$ 671.20	\$ 2,684.79
100	11117-11119 S Longwood Drive	0454	\$ 4,990.49	\$ 998.10	\$ 3,992.39
101	6949-59 S Merrill Avenue	0330	\$ 8,522.75	\$ 1,704.55	\$ 6,818.20
108	2800-06 E 81st Street	0942	\$ 420.56	\$ 84.11	\$ 336.45
109	4750-52 S Indiana Avenue	0959	\$ 580.31	\$ 116.06	\$ 464.25
110	5618-20 S Martin Luther King Drive	0504	\$ 606.33	\$ 121.27	\$ 485.06
111	6554-58 S Vernon Avenue	0546	\$ 744.59	\$ 148.92	\$ 595.67
112	7450 S Luella Avenue	0249	\$ 500.33	\$ 100.07	\$ 400.26
113	7840-42 S Yates Avenue	0967	\$ 420.56	\$ 84.11	\$ 336.45
115	431 E 42nd Place	0983	\$ 1,426.63	\$ 285.33	\$ 1,141.30
116	1102 Bingham (Houston, TX)	0074	\$ 7,912.38	\$ 1,582.48	\$ 6,329.90
Total			\$ 214,295.28	\$ 42,859.08	\$ 171,436.20