



2. The Receiver and DeRoo then reached a settlement (the “Settlement Agreement”), pursuant to which DeRoo agreed to pay the Receivership Estate Three Hundred Twenty-Five Thousand Dollars (\$325,000.00) (USD), which this Court approved in this action. (ECF No. 1504)

3. The Settlement Agreement allowed DeRoo to make installment payments, but he failed to timely make the final payment of \$125,000.00 due under the Settlement Agreement.

4. After the Court approved the Settlement Agreement, the Receiver and his counsel undertook additional substantial efforts to enforce the Settlement Agreement, obtain and enforce a judgment against DeRoo for breach of the Settlement Agreement, and receive payment from DeRoo.

5. Included in these efforts, the Receiver sued DeRoo again, in an action styled, *Kevin B. Duff, Receiver for the Estate of EquityBuild Inc., et al. v. Tyler W. DeRoo*, Case No. 24-cv-1402 (the “Breach of Contract Action”). (See Breach of Contract Action, ECF No. 1)

6. On June 11, 2024, the Court entered judgment for the Receiver in the Breach of Contract Action. (ECF No. 30)

7. The Receiver and his counsel then undertook efforts to enforce the judgment and lien DeRoo’s assets, including but not limited to obtaining and recording certified copies of the judgment for that purpose.

8. On July 26, 2024, DeRoo tendered payment in the amount of \$128,769.08 to the Receiver’s account, corresponding to the total of: the final Settlement Agreement installment (\$125,000.00), pre-judgment interest (\$1,980.87), post-judgment interest through July 26, 2024 (\$1,383.20), and filing fee (\$405.00).

9. In connection with the Receiver's prior motion seeking approval of the Settlement Agreement, the Receiver noted that the Court has broad authority to approve settlements. (*See* ECF No. 1498 at 4-5; ECF No. 1504) The Court previously approved the Settlement Agreement. (ECF No. 1504)

10. Given the passage of time and additional efforts undertaken subsequent to this Court's previous approval of the Settlement Agreement, this motion seeks to confirm the Receiver's authority to pay contingency fees consistent with the fee percentage previously approved by the Court. The Receiver further seeks to confirm his authority to pay these contingency fees in light of the additional efforts taken to enforce the Settlement Agreement, including investigating, analyzing, preparing, filing, and prosecuting a new lawsuit, obtaining summary judgment, taking steps to enforce the judgment, and obtaining payment from DeRoo.

11. Additionally, by this motion, the Receiver seeks approval to reimburse his counsel for certain additional expenses that were incurred in connection with the new lawsuit and efforts to enforce the Settlement Agreement and judgment against DeRoo. Expenses associated with these efforts included filing fee for the complaint, certified copies of the judgment against DeRoo, expedited delivery charges associated with expeditious enforcement of the judgment and lien, and similar such expenses, all of which are identified by type and amount in Exhibit A. Among these expenses, an amount equal to the \$405.00 filing fee for the Breach of Contract action was included in the total amount paid by DeRoo on July 26, 2024.

12. Pursuant to the Court's September 23, 2020 Order Granting Receiver's Motion for Retention of Counsel (ECF No. 801), and with respect to the payment by DeRoo in respect to the settlement and judgment for breach of the Settlement Agreement, the Receiver requests that the

Court authorize and approve payment to the Receiver's counsel in an amount of \$42,493.79 in legal fees (*i.e.*, the contingency legal fee amount of 33% out of the \$128,769.08 amount paid by DeRoo, which is calculated as follows:  $\$128,769.08 \times 0.33 = \$42,493.79$ ) and \$968.16 in out-of-pocket expenses (as identified on Exhibit A), with the out-of-pocket expenses reimbursed first and then followed by payment of 33% of any additional amounts received from DeRoo, without further order of the Court.

13. The settlement/judgment funds in the amount of \$128,769.08 that were paid by DeRoo on July 26, 2024, have already been deposited into the Receiver's Account.

14. Thus, the Receiver seeks approval now to transfer \$43,461.95, representing the contingency fee portion (\$42,493.79) plus the reimbursement of out-of-pocket expenses (\$968.16) to the client fund account of the Receiver's counsel, Damian Valori Culmo.

15. The Receiver will provide fair, adequate, and sufficient notice of this motion to all interested parties. In addition to service through the Court's electronic case filing system, the Receiver will serve a copy of this motion (and the accompanying notice of motion) to all claimants by electronic mail (to the extent claimant possesses an e-mail address) or by regular mail (if claimant only possesses a mailing address). A copy of this motion will also be posted on the Receiver's webpage at <http://rdaplawnet.com/receivership-for-equitybuild>.

16. The Receiver has conferred with counsel for the SEC which consents to the relief requested in this motion.

WHEREFORE, for the foregoing reasons, the Receiver respectfully requests that the Court: (A) enter the proposed order attached hereto as **Exhibit B** both confirming the Receiver's authority to pay counsel the requested contingency fees and to reimburse counsel for the out-of-

pocket expenses described above; and (B) grant such other and further relief as the Court deems just and proper.

Dated: September 9, 2024

KEVIN B. DUFF, RECEIVER

/s/ Michael Rachlis

Michael Rachlis  
Jodi Rosen Wine  
Rachlis Duff & Peel LLC  
542 South Dearborn Street, Suite 900  
Chicago, IL 60605  
Telephone: (312) 733-3950

*Counsel for Plaintiff, Kevin B. Duff, as Receiver*

# Exhibit A

**Expenses for DeRoo**  
**8/1/2023 to present**

| <u>Date</u>                | <u>Amount</u>   | <u>Description</u>   |
|----------------------------|-----------------|--|
| <b>Damian Valori Culmo</b> |                 |  |
| February 2024              | \$405.00        | Filing fee for complaint for breach of settlement                              |
|                            | \$123.60        | Postage associated with service of complaint and other pleadings               |
| June 2024                  | \$25.00         | Court fee for certified copy of judgment                                       |
|                            | \$69.56         | FedEx deliveries associated with certified copies of judgment                  |
| <b>Total DVC</b>           | <b>\$623.16</b> |  |
| <b>Porter Law Office</b>   |                 |  |
| June 2024                  | \$150.00        | Fees for recording judgment in Lake County                                     |
| July 2024                  | \$195.00        | Process server fees for serving citation to discover assets on DeRoo's counsel |
| <b>Total PLO</b>           | <b>\$345.00</b> |  |
| <b>Grand Total</b>         | <b>\$968.16</b> |  |

# Exhibit B



**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 | ) | Magistrate Judge Young B. Kim |
| FINANCE, LLC, JEROME H. COHEN, | ) |                               |
| and SHAUN D. COHEN,            | ) |                               |
|                                | ) |                               |
| Defendants.                    | ) |                               |

**[ PROPOSED ]  
ORDER GRANTING RECEIVER’S MOTION TO APPROVE  
CONTINGENCY FEES AND EXPENSES RELATED TO ENFORCEMENT OF  
SETTLEMENT AGREEMENT WITH AND JUDGMENT AGAINST TYLER DEROO**

This matter came before the Court upon the Receiver’s Motion to Approve Contingency Fees and Expenses Related to Enforcement of Settlement Agreement with and Judgment against Tyler Deroo [ECF No. \_\_\_\_] (the “Motion”). 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 is GRANTED.
2. The Court finds that the contingency fee amount for the Receiver’s counsel, Damian Valori Culmo and Rachlis Duff & Peel, LLC, with respect to the DeRoo Settlement is fair and reasonable and that they are entitled to a total payment of \$43,929.30, representing the total of the approved contingency fee plus expenses (comprising \$42,493.79 in fees and \$968.16 in costs).

3. The Court approves and orders the Receiver's immediate payment of \$43,929.30, representing the total of the approved contingency fee plus expenses (comprising \$42,493.79 in fees and \$968.16 in costs) from the Receiver's Account to the client fund account of Damian Valori Culmo to be thereafter split between the engaged counsel.

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

5. The Court shall retain exclusive jurisdiction over all matters concerning the subject matter of the Receiver's motion and this order.

ORDERED in the United States District Court  
for Northern District of Illinois, Eastern Division,  
on this \_\_\_\_ day of September, 2024.

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UNITED STATES DISTRICT COURT JUDGE