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 COOK COUNTY RECORDER

Properties Which May Be Subject to Attached Preliminary Injunction Order

P.I.N. #: 20-03-300-024-0000

Lot 4 in subdivision of south 1/2 of south 1/2 of northwest 1/4 of southwest 1/4 lying north of Michigan Avenue and north of 45th Street of Section 3, Township 38 north, Range 14 east of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 4436 S. Indiana, Chicago, IL

P.I.N. #: 20-03-308-024-0000

Lot 4 in subdivision of south 1/2 of south 1/2 of northwest 1/4 of southwest 1/4 lying north of Michigan Avenue and north of 45th Street of Section 3, Township 38 north, Range 14 east of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 4436 S. Indiana, Chicago, IL

P.I.N. #: 20-02-404-075-0000

Lot 88 (except the north 40 feet thereof) and the north 10 feet of Lot 87 in Kenwood subdivision of the Southeast 1/4 of Section 2, Township 38 north, Range 14, east of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 4537 S. Lake Park, Chicago, IL

P.I.N. #: 20-27-413-033-0000

Lot 2 in Wakeford fourteen addition in the east half of the southeast quarter of Section 27, Township 38 north, Range 14, east of the Third Principal Meridian, according to the plat recorded October 28, 1919 as document no. 5292817, in Cook County, Illinois.

Commonly known as: 7634 S. Langley, Chicago, IL

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

LONG BEACH MORTGAGE COMPANY,)
)
 Plaintiff,)
)
 v.) No. 95 C 4068
)
 HENRY F. WHITE, et al.,)
)
 Defendants.)

PRELIMINARY INJUNCTION ORDER

This action has come on to be heard upon the Motion for a Preliminary Injunction filed by plaintiff Long Beach Mortgage Company ("Long Beach"). This Court has considered Long Beach's Verified Complaint, the motions and citations of authority filed by the parties and the documents and testimony presented at a preliminary injunction hearing (the "Hearing"). It has also heard and considered the closing arguments of Long Beach's counsel and counsel for the several defendants (all except for Frederick Moore and Mary R. White) appearing at the Hearing. It is fully advised in the premises.

This Court hereby finds:

1. It has jurisdiction over the subject matter of this action and over all of the parties.

2. On July 26 to 28 and on August 2, 1995, this Court conducted the evidentiary and closing arguments aspects of the Hearing. Evidence at the Hearing has established that:

(a) Henry F. White, Elveria Ferguson and Frederick Moore (collectively "Borrowers") borrowed money from Long Beach to fund real estate purchases in Chicago, Illinois.

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Borrowers grossly misrepresented the value of those properties to Long Beach on their loan applications, thereby inducing Long Beach to loan substantial sums of money where Long Beach would not otherwise have done so.

(b) Borrowers transferred some of those funds to Robert Threatto, Val Jean F. Hillman and Mary R. White (collectively "Transferees").

(c) There is substantial reason to believe that Transferees colluded with Borrowers in their scheme to defraud Long Beach in the obtaining of the loans referred to in Finding 2(a). In any event, so far as the evidence adduced at the Hearing is concerned, Transferees received shares of the proceeds of those loans without providing any value in return.

3. Based upon the evidence introduced at the Hearing, Long Beach has a legitimate interest that deserves the protection of equity. All of the elements required for the granting of preliminary injunctive relief have been established at the Hearing: Long Beach has no adequate remedy at law and faces the immediate threat of irreparable harm if no preliminary injunction is issued; its likelihood of success on the merits is more than substantial; the balance of harms (weighing the harm to Long Beach if a preliminary injunction were wrongfully denied against the potential harm to Borrowers and Transferees if a preliminary injunction were wrongfully granted) weighs heavily in Long Beach's favor; and the granting of a preliminary injunction will

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not disserve the public interest in any respect.

4. Long Beach's funds may still be traceable. However, all Borrowers and Transferees have failed to disclose the location and present form of those funds or of the assets into which the funds may have been converted. Unless and until Borrowers and Transferees disclose the whereabouts of those funds, it is appropriate to freeze the assets of Borrowers and Transferees to the extent described below to minimize or to prevent entirely the threat that Long Beach's funds will be further dispersed, encumbered, commingled, wasted or otherwise transferred or removed or rendered untraceable. Issuance of a preliminary injunction is necessary to preserve Long Beach's loan funds, or the proceeds thereof, that are at issue in this action.

IT IS THEREFORE ORDERED THAT:

1. Borrowers and Transferees are hereby enjoined as follows:

(a) Assets of Henry F. White, whether real, personal or otherwise, and whether held by him personally or controlled by him through others, shall be frozen generally in the amount of \$603,400. Henry F. White is hereby enjoined from dispersing, commingling, wasting, encumbering, dissipating or otherwise transferring or removing or rendering untraceable any assets within his control having a value in the aggregate that is less than or equal to that amount.

(b) Assets of Mary R. White, whether real, personal or

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otherwise, and whether held by her personally or controlled by her through others, shall be frozen generally in the amount of \$603,400. Mary R. White is hereby enjoined from dispersing, commingling, wasting, encumbering, dissipating or otherwise transferring or removing or rendering untraceable any assets within her control having a value in the aggregate that is less than or equal to that amount.

(c) Assets of Elveria Ferguson ("Ferguson"), whether real, personal or otherwise, and whether held by her personally or controlled by her through others, shall be frozen generally in the amount of \$294,000. Ferguson is hereby enjoined from dispersing, commingling, wasting, encumbering, dissipating or otherwise transferring or removing or rendering untraceable any assets within her control having a value in the aggregate that is less than or equal to that amount. This order shall not however affect Ferguson's rights to receive wages, personalty and federal benefits pursuant to 735 ILCS 5/12-1001 et seq. and 11 U.S.C. §522 et seq.

(d) Assets of Frederick Moore ("Moore"), whether real, personal or otherwise, and whether held by him personally or controlled by him through others, shall be frozen generally in the amount of \$294,000. Moore is hereby enjoined from dispersing, commingling, wasting, encumbering, dissipating or otherwise transferring or removing or rendering untraceable any assets within his control having a value in

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the aggregate that is less than or equal to that amount.

(e) Jean Val Jean F. Hillman ("Hillman") is ordered forthwith to designate cash or cash equivalent holdings in the amount of \$39,200, an amount that is 70% (that figure constitutes the percentage of the purchase price that Long Beach funded) of the \$56,000 in proceeds that Hillman obtained from the second April 6, 1995 closing on the property commonly known as 4436 South Indiana Avenue, Chicago, Illinois. Hillman is hereby enjoined from dispersing, commingling, wasting, encumbering or dissipating those assets, or otherwise transferring or removing them or rendering them untraceable.

(f) Robert L. Threatte ("Threatte") is ordered forthwith to designate assets having a value, established in a manner satisfactory to this Court, of \$251,300, an amount that is the sum of (1) 70% (that figure constitutes the percentage of the purchase price that Long Beach funded) of the \$159,000 in proceeds that Threatte obtained from the second April 6, 1995 closing on the property commonly known as 4436 South Indiana, Chicago, Illinois, plus (2) 70% (the same percentage) of the \$200,000 in proceeds that Threatte obtained from the second May 10, 1995 closing on the property commonly known as 4537 South Lake Park Avenue, Chicago, Illinois. Threatte is hereby enjoined from dispersing, commingling, wasting, encumbering or dissipating those assets, or otherwise transferring or removing them or

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rendering them untraceable.

As and when any defendant (a "Funding Defendant," who may be not only Hillman or Threatto but also any of the other defendants) may secure the amount of his or her assets referred to in the foregoing freeze provisions by placing cash funds in a form that eliminates any risk as to Long Beach's access to those funds if it is successful in this litigation, this Court will entertain a motion by any other defendant to lessen (or to eliminate) his or her own obligation to reflect the fact that Long Beach will of course not be entitled to more than a single recovery. In ruling on any such motion, this Court will take into account the possibility that a Funding Defendant may ultimately be found not to be jointly liable (or perhaps not severally liable) to Long Beach, in which event the funding by a Funding Defendant would not necessarily reduce the obligation of a non-Funding Defendant.

2. This preliminary injunction shall bind all banks or other institutions that serve as custodians of the funds or assets designated or enjoined in Paragraph 1 of this order. Those institutions shall freeze such funds or assets to the extent of the amounts described in Paragraph 1.

3. Long Beach has previously posted bond in the amount of \$10,000 as security in connection with the temporary restraining order that is due to expire at 9:30 a.m. August 4, 1995. That bond shall remain in effect to protect Borrowers and Transferees from any damages that they may sustain as a result of their being wrongfully enjoined. At present that amount exceeds the value of

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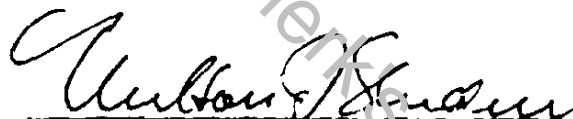
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the loss of use of Borrowers' and Transferees' frozen assets and accounts as provided for in this order. This Court will entertain from time to time a motion to increase that bond requirement to reflect the then-accrued value of such loss of use.

4. This preliminary injunction order is binding upon the defendant named in Paragraph 2 of this order, upon their respective officers, agents, servants, employees, banks or financial institutions, title and title insurance companies and attorneys, and upon those persons in active concert or participation with any of the foregoing who receive actual notice of this preliminary injunction order by personal service or otherwise.

5. This preliminary injunction order shall continue in effect until either the further order of this Court or a full trial of this action on its merits.



Milton I. Shadur
Senior United States District Judge

Issued at 9:15 a.m. August 4, 1995.

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This document was prepared by:

Ari J. Rosenthal, Esq.

BELL, BOYD & LLOYD

Three First National Plaza

70 W. Madison

Chicago, IL 60602

(312) 372-1121

After recording, please return to:

Ari J. Rosenthal, Esq.

BELL, BOYD & LLOYD

Three First National Plaza

70 W. Madison

Chicago, IL 60602

(312) 372-1121

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