



# Illinois Metropolitan Investment Fund

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our communities

## IMET PARTICIPANT UPDATE

JANUARY 10, 2018

**Christy Powell**  
Superintendent of Finance  
& Personnel  
Geneva Park District  
*Chairman*

**Gary Szott**  
Director of Finance/Treasurer  
Village of Bloomingdale  
*Treasurer*

**John Harrington**  
Director of Finance  
Village of Minooka  
*Secretary*

**Scott Anderson**  
Director of Finance & General  
Services  
Village of Buffalo Grove  
*Trustee*

**Chris Minick**  
Director of Finance  
City of St. Charles  
*Trustee*

**Brian Murphy**  
Village Administrator  
Village of Plainfield  
*Trustee*

**Sofia Anastopoulos, CFA**  
*Executive Director*

**Debra A. Zimmerman**  
*Associate Director*

### Update on Criminal Proceedings Against Nikesh Patel and Timothy Fisher

As you may recall, Nikesh Patel previously pled guilty to five counts of wire fraud. On January 6, 2018, Nikesh Patel was arrested in Florida as he was attempting to board a chartered aircraft to travel to Ecuador in violation of his plea arrangement. The Assistant United States Attorney claims that Patel was attempting to flee the United States before his sentencing which was set expected to occur on January 9, 2018. The government now has revoked Patel's bond and is charging Patel with Unlawful Flight to Avoid Prosecution in violation of Title 18, USC Section 1073. Patel will now remain in federal custody until he is sentenced for the fraud in connection with the First Farmers matter.

On January 9, 2018, Judge Charles Kocoras continued Patel's sentencing hearing until **March 6, 2018 at 9:45 a.m.** at the United States District Court for the Northern District of Illinois, 219 S. Dearborn Street, Chicago, Courtroom 2325.

The sentencing hearing for Timothy Fisher who pled guilty to one count of money laundering which has been set for January 25, 2018 at 9:45 a.m. will likely get continued.

As we previously advised, at the sentencing hearings for both Mr. Patel and Mr. Fisher, victims of their fraud, including IMET and its participants, may be permitted to make statements regarding the impact of their crimes. If you would like to make such a victim impact statement at the sentencing hearings of Mr. Patel and/or Mr. Fisher, please contact Felice D. Weiler, the Victim Witness Coordinator for the United States Attorney's Office at 312-886-4196.

In addition, as a victim of the Patel fraud, you are encouraged to send a letter which would be considered by Judge Kocoras in his sentencing of Patel and/or Fisher. The letter should set forth any particular injuries or hardships that you or your particular entity has sustained as a result of the fraud (i.e. specific budgetary constraints, inability to purchase certain assets, postponing the purchase of certain assets, loss of certain services, etc.). The letter should be directed to Judge Charles Kocoras and should reference the criminal case, *USA v. Nikesh Patel*, Case No. 14-cr-546. The letter should be sent by **January 29, 2018** to: Janett Castillo, Victim Witness Unit, United States Attorney's Office, Northern District of Illinois, 219 South Dearborn Street, 5th Floor, Chicago, IL 60604. Alternatively, the letter can be sent by e mail to [usain.victim.witness@usdoj.gov](mailto:usain.victim.witness@usdoj.gov) or by fax to 312-469-6215.

### IRS Claim Subordination Update

The Overall Receiver is still waiting for the IRS to make a definitive decision regarding whether it will subordinate its tax claims in favor of the investors. We understand that the IRS is in the process of obtaining internal approvals for such subordination. Judge St. Eve has requested a further update from the Assistant United States Attorney on this issue at the next status hearing set for January 23, 2018 at 8:45 a.m.

### UCF Litigation Update

As we have previously advised, the Overall Receiver is in litigation with the original purchaser of the UCF hotel after that deal did not close. The UCF hotel was later sold to another purchaser. The lawsuit involving the original purchaser concerns who is entitled to the \$1.5 million held in escrow. The Overall Receiver moved for summary judgment asserting that the original purchaser was in breach of the purchase agreement by failing to tender the original purchase price. The original purchaser moved for summary judgment asserting that the Overall Receiver was in breach of the purchase agreement by failing to close on the date specified in the agreement. On December 5, 2017, Judge St. Eve issued a 26-page written opinion and denied both motions for summary judgment and found that neither the original purchaser nor the Overall Receiver were in breach of the purchase agreement. The Overall Receiver is considering the ruling of Judge St. Eve and next steps.

### Banes Litigation Update

The mediation which took place on November 29, 2017 did not result in a settlement. As a result, the parties are proceeding with discovery.

### Update on Overall Receivership Cash on Hand

As of January 2, 2018, the Overall Receiver had a cash balance on hand of \$79,648,819. As previously reported, distributions by the Overall Receiver cannot be made until the Overall Receiver resolves potential priority claims of the USDA and the IRS. Assuming such priority claims are successfully resolved, IMET's share of the recoveries are approximately 29%.

Should you have any questions, don't hesitate to call Sofia Anastopoulos at IMET or IMET's outside counsel, Randall Lending of Vedder Price (312-609-7500).

Sincerely,

Christy Powell  
Chairman