

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Greenbelt Division

In re:

THE CONDOMINIUM ASSOCIATION OF
THE LYNNHILL CONDOMINIUM,

Debtor.¹

Case No. 18-10334

Chapter 11

**NOTICE OF DECEMBER 10, 2018 EVIDENTIARY HEARING ON
OBJECTIONS TO INITIAL DISTRIBUTIONS AND OTHER DISTRIBUTION ISSUES**

PLEASE TAKE NOTICE that on October 5, 2018, the Court entered its *Order (I) Authorizing Initial Distributions, (II) Expunging Former Resident/Unit Owner Claims, and (III) Allowing Unit Lienholder and Certain Class 3 Claims* [Doc. 374] (the “Distribution Order”), authorizing, among other things, an initial \$7 million cash distribution from the Net Sale Proceeds² to Former Residents or their respective Unit Lienholders (if any) on a unit-by-unit basis and setting a hearing to resolve any Objections for **December 10, 2018 at 10:00 a.m. (E.T.)** (the “Hearing”).

PLEASE TAKE FURTHER NOTICE that as of November 5, 2018, the Association has identified the Objections (and the affected Units) that will be heard at the Hearing if not consensually resolved before the Hearing, which are set forth on **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that if you disagree with or dispute any Objection or have any claim related to, associated with, or have any interest with respect to any unit identified on **Exhibit A**, **THEN YOU MUST FILE AND SERVE A WRITTEN RESPONSE OR REPLY** (each, a “Response”) **WITH THE COURT NO LATER THAN November 15, 2018** (the “Objection Response Deadline”).

PLEASE TAKE FURTHER NOTICE that if you raised an Objection at the Hearing, but have not yet filed a written pleading with the Court, then for the Court to properly evaluate your claim, you must also file a Response by the Response Deadline in accordance with this Notice.

PLEASE TAKE FURTHER NOTICE that as of November 5, 2018, the Association has identified certain issues relating to certain Units, *e.g.*, title issues, competing liens, etc., for which the Association is currently holding distributions pending a ruling from the Court (each an “Issue”). Attached hereto as **Exhibit B** is a list of the affected Units, the affected parties, and a short description of the issue to be resolved by the Court at the December 10, 2018.

¹ The Association’s federal identification number is 52-0993760.

² Capitalized terms used but not otherwise defined in this notice have the meaning given to such terms in the Distribution Order.



PLEASE TAKE FURTHER NOTICE that if you disagree with or dispute the Association's characterization or description of an Issue or have any claim related to, associated with, or have any interest with respect to any Unit identified on Exhibit B, **THEN YOU MUST FILE AND SERVE A WRITTEN RESPONSE WITH THE COURT NO LATER THAN November 29, 2018** (the "Issue Response Deadline").

PLEASE TAKE FURTHER NOTICE that all Responses must identify (1) an Objection or Issue (as applicable) and the affected Unit that the Response relates to and (2) the basis for opposing the Objection or the Issue (as applicable), including a complete specification of the factual and legal grounds upon which the Response is based. You must also attach any documents that support your Response **EVEN IF THOSE DOCUMENTS HAVE BEEN PREVIOUSLY PROVIDED TO THE DEBTOR'S COUNSEL OR OTHER PARTIES**. Responses must be filed with the Clerk of the Bankruptcy Court, 6500 Cherrywood Ln, Greenbelt, MD 20770 and served (by delivery or mailing a copy) to:

- (a) counsel to the Debtor, Pillsbury Winthrop Shaw Pittman LLP, 1200 Seventeenth Street NW, Washington, DC 20036 (Attn: Patrick Potter, patrick.potter@pillsburylaw.com) and 324 Royal Palm Way, Suite 220, Palm Beach, FL 33480 (Attn: Dania Slim, dania.slim@pillsburylaw.com);
- (b) the "Objecting Party" for the applicable Unit as listed on Exhibit A or the "Unit Owner of Record" or "Lienholder(s)" for the applicable Unit as listed on Exhibit B;
- (c) all parties known or believed to have an interest in the applicable Unit; and
- (d) the Office of the U.S. Trustee for Region 4, 6305 Ivy Lane, Suite 600, Greenbelt, MD 20770 (Attn: Jeanne M. Crouse, Esq., jeanne.m.crouse@usdoj.gov).

PLEASE TAKE FURTHER NOTICE THAT FAILURE TO FILE A RESPONSE BY THE RESPONSE DEADLINE IN ACCORDANCE WITH THIS NOTICE COULD RESULT IN THE FORFEITURE OF ANY CLAIMS OR DISTRIBUTIONS THAT YOU BELIEVE YOU MAY BE ENTITLED TO.

PLEASE TAKE FURTHER NOTICE THAT THE HEARING WILL BE AN EVIDENTIARY HEARING, SO ALL PARTIES SHOULD BE PREPARED TO PROSECUTE THEIR CASES, INCLUDING PRESENTING ALL EVIDENCE TO SUPPORT THEIR CLAIMS, INCLUDING DOCUMENTS, RECORDS, WITNESSES, OR ANY OTHER ITEMS SUPPORTING THEIR POSITIONS.

PLEASE TAKE FURTHER NOTICE that copies of the Objections referenced in Exhibit A may be downloaded free of charge at the website established for this case at <http://www.kccllc.net/lynnhill> or by calling (877)725-7530. The proofs of claim referenced in Exhibit B may be obtained from the Clerk of the Court or at <https://ecf.mdb.uscourts.gov>.

Dated: November 9, 2018

Respectfully submitted,

Pillsbury Winthrop Shaw Pittman LLP

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Counsel for the Association

Exhibit A

Exhibit A - Outstanding Distribution Objections

Unit No.	Objection Docket No.	Objecting Party & Status (Lienholder / Unit Owner)	Unit Owner of Record (if not Objecting Party)	Lienholder Claims Filed in Bankruptcy Case	Responses to Objection / Notes
N-202	362	Abteu, Muluye (Lienholder)	Forte, Robert H.	None	Motion to Allow Late Filing of Unit Lienholder Claim for an alleged judgment lien asserted against Henoc Meskelu in the amount of \$72,924.00, the Unit Owner of Record for Unit N-411. The property records for Unit N-202 do not show a lien by Mr. Abteu. Mr. Abteu does not appear to have a claim related to Unit N-202, and the inclusion of Unit N-202 could be a typo or drafting error.
N-313	Objection at Oct 3, 2018 Hearing	Alami, Iqbal (Unit Owner)	(and) Persaud-Alami, Sattie Judy	None	Objected at Oct. 3, 2018 hearing. Mr. Alami stated at the hearing that he had a record of "making payment on 2016 of \$10,000 that I paid off everything that was due prior to May 2016." Oct. 3, 2018 Hr'g Trans. at p. 92, lines 4-5. The Association will respond to Mr. Alami's objection by the objection deadline.
N-406	Objection at Oct 3, 2018 Hearing	Karkenny, Samuel (Lienholder)	Spann III, Thomas; Spann, Sheron P.; and Peay, Helen	None	Objected at Oct. 3, 2018 hearing. Mr. Karkenny is an alleged purchaser of Unit N-406 (or a tax certificate) at tax sale on August 30, 2018, which is after the closing of the sale of the property to Dragone Realty, LLC on March 15, 2018 [Doc. 248]. The property records for Unit N-406 do not show a tax certificate or other lien filed by Mr. Karkenny.
N-411	361 & 372	Wakjira, Daniel (Lienholder)	Meskelu, Henoc	McKinney Technology Partners, Inc.	Opposition to the Distribution Motion that is essentially a motion to allow the late filing of a judgment lien in the amount of \$12,000.00 asserted against the Unit Owner of Record Henoc Meskelu. Judgment lien also asserted by Muluye Abteu [Docs. 362, 379, 380, and 381]. Response filed by Muluye Abteu [Doc. 379] on October 9, 2018 (see below). There is \$14,917.35 available for distribution and \$88,586.57 in asserted liens (\$72,924.00 by Mr. Abteu; \$12,000.00 by Mr. Wakjira; and \$3,662.57 by McKinney Technology Partners, Inc.). McKinney is the only party that timely filed its lienholder claim for Unit N-411. The property records for Unit N-411 show a judgment in favor of Mr. Abteu against Mr. Meskelu in the amount of \$67,680.33 filed on November 20, 2014; a notice of lien in favor of Mr. Wakjira against Mr. Meskelu in the amount of \$12,000.00 filed on March 4, 2015; taxes sold to McKinney Technology Partners, Inc. but no amount or date recorded.
N-411	362, 379, 380, & 381	Abteu, Muluye (Lienholder)	Meskelu, Henoc	McKinney Technology Partners, Inc.	See description of Motion to Allow Late Filing of Unit Lienholder Claim for Unit N-202 above. The motion and related pleadings seek approval of a judgment lien asserted against Unit Owner of Record Henoc Meskelu. Judgment lien also asserted by Daniel Wakjira (see above). See above row for information included in property records for Unit N-411.

Exhibit A - Outstanding Distribution Objections

Unit No.	Objection Docket No.	Objecting Party & Status (Lienholder / Unit Owner)	Unit Owner of Record (if not Objecting Party)	Lienholder Claims Filed in Bankruptcy Case	Responses to Objection / Notes
N-716	Objection at Oct 3, 2018 Hearing	Federal National Mortgage Association ("Fannie Mae") (Unit Owner / Lienholder)	Collins, Lynn R. & Soper, Shane	Seterus, Inc. (as subservicer for Fannie Mae)	Objected at Oct. 3, 2018 hearing. Fannie Mae's counsel stated that the prior owner entered into a deed in lieu agreement with Fannie Mae in November 2017, but it was not recorded by Prince George's County until January 12, 2018. Oct. 3, 2018 Hr'g Trans. at p. 81, lines 17-25. On November 6, 2018, Seterus, Inc. filed Claim No. 148, which asserts a secured claim against Unit N-716 in the amount of \$97,064.54. The initial distribution for Unit N-716 is \$60,347.04. The property records for Unit N-716 show Fannie Mae was assigned a mortgage/deed of trust in 2011.
S-409	365	Cook, Walter (Lienholder)	Easton, Joseph E.	None	Request to Late File a Lien by Walter Cook for a tax certificate dated May 9, 2016 in the amount of \$8,095.35 plus additional fees and interest of \$7,286.46 for a total of \$15,381.81. The tax certificate states that it "will be void unless such a proceeding is brought within two years from the date of this certificate." The amount available for an initial distribution for Unit S-409 is \$8,706.73. The property records for Unit S-409 show that a tax sale action was initiated by Mr. Cook Circuit Court for Prince George's County on July 17, 2017 and assigned case number CAE17-16693. The Circuit Court's records show that case number CAE17-16693 was dismissed on March 14, 2018. The Circuit Court's records also show that a second case was filed by Mr. Cook on May 4, 2018 and was assigned case number CAE18-14011. Case number CAE18-14011 is currently active. Mr. Cook did not serve Mr. Easton's estate. On October 19, 2018, Pillsbury advised Mr. Cook's counsel of need to serve Mr. Easton's estate with the request and provided the relevant contact information for Mr. Easton's estate. On November 2, 2018, Mr. Cook's counsel indicated that he would serve the objection on Mr. Easton's estate and file a certificate of service with the Court.
S-501	359	Federal National Mortgage Association (Unit Owner)	n/a	None	Motion from Fannie Mae asserts that condominium dues for Unit S-501 should be \$0.00. The Association will respond to Fannie Mae's objection by the objection deadline. Unit S-501 previously owned by Ford, Carmen.
S-603	357	Brighthaupt, Lora (Unit Owner)	(and) Brighthaupt, George M.	None	The Association will respond to Ms. Brighthaupt's objection by the objection deadline.

Exhibit B

Exhibit B - Distribution Issues

Unit No.	Unit Owner(s) of Record	Lienholder(s) Claims	Issue / Notes
N-101	Hill, Maurine & Carter, Nathan	Walling Trust Admin (Claim No. 129 for \$10,000.00); Bardach, Richard (Claim No. 131-1 for \$82,500); & Richmond, Kevin (Claim Nos. 136-1, 136-2 for \$40,000)	Competing claims. The balance available for initial distribution for Unit N-101 is \$41,172.70 and the total amount of liens asserted ranges from \$50,000-\$188,703.00). The claims filed by the Walling Trust Admin and Mr. Richmond do not indicate a Unit and the claim filed by Mr. Bardach specifies only Unit S-613, but the property records show liens for Unit N-101 and Unit S-613 for all three parties (see below). Email communications from Mr. Richmond state that his alleged liens now total \$178,703.00 rather than the \$40,000.00 asserted in his proof of claim. The Walling Trust Admin has not filed or sent documents supporting its alleged lien and the property records do not show a lien for the Walling Trust Admin, but do show a lien held by a potentially related entity, Walljune Private Lending, LLC. The property records for Unit N-101 showshow (in relevant part): "Judgment Case No. CAL08-11878 in favor of Walljune Private Lending LLC vs. Nathan Edward Carter filed April 24, 2008"; "Judgment Case No. CAL08-17164 in favor of Kevin Richmond vs. Nathan E. Carter filed July 9, 2008"; and " Judgment Case No. CAL16-35169 in favor of Richard W. Bardach et al vs. Nathan E. Carter filed September 8, 2016." The Association requests that the Court determine the priority of the Lienholder Claims and their respective allowed amounts, if any.
N-110	Spann III, Thomas; Spann, Sheron P.; and Peay, Helen		Samuel Karkenny advised Pillsbury that Unit N-110 was sold or foreclosed upon, but did not provide any documentation to support those assertions. On November 2, 2018, the Association received an email from Altisource notifying the Association "that a foreclosure of the first mortgage lien of [Unit N-110] was concluded . . . [and that] the investor is now the owner of [Unit N-110] and is represented by Altisource." The email did not include any documentation to support its claim of ownership or foreclosure, nor did it identify the foreclosing party or indicate the date that the alleged foreclosure occurred. The property records for Unit N-110 show: Deed of Trust Made by Thomas Spann III and Sheron P. Spann, Helen Peay to Mark H. Friedman and Kenneth J. MacFadyen, as Trustees, in favor of Option One Mortgage Corporation in the amount of \$80,750.00 dated July 11, 2006 and recorded November 22, 2006 in Book 26469 Page 245; and Judgment vs. Shurlonda Spann in favor of Lendmark Financial Services filed November 1, 2010 as Case No. NL1575-010. Neither Option One Mortgage Corporation nor Lendmark Financial Services filed claims in the bankruptcy case. The Association requests that the Court determine the proper recipient of the initial distribution for Unit N-110 and if the proper recipient is a Lienholder, the amount of the Lienholder's claim.

The Condominium Association of the Lynnhill Condominium

Exhibit B - Distribution Issues

Unit No.	Unit Owner(s) of Record	Lienholder(s) Claims	Issue / Notes
N-212	Winter, Shirley E.; Wells Fargo Bank, N.A.; or U.S. Bank, National Association		Wells Fargo has asserted in email communications with Pillsbury that it is the owner of Unit N-212. Property records show: (1) "Deed of Trust made by Shirley E. Winter to John Burson, Esq., as Trustee, in favor of Wells Fargo Bank, N.A., in the amount of \$49,500.00 dated February 3, 2006 and recorded on March 9, 2006 in Book 24527 Page 228"; (2) "Corporate Assignment of Deed of Trust to US Bank, National Association dated August 22, 2012 and recorded on September 20, 2012 in Book 33972 Page 116"; and (3) "Foreclosure Case No. CAEF16-10472 filed on April 13, 2016 vs. Shirley E. Winter, foreclosing Deed of Trust in Book 24527 Page 228." Case No. CAEF16-10472 was docketed as CDM vs Winter and the docket appears to indicate that a foreclosure sale was completed and a Trustee's Deed conveying the Unit to "U.S. Bank National Association, as Trustee for Citigroup Mortgage Loan Trust, Inc., Mortgage Pass-Through Certificates, Series 2006-WF2" was entered into on December 15, 2017 and recorded on January 23, 2018 in Book 40503, Page 458. The Association requests that the Court determine the proper Unit Owner of Record for Unit N-212.
N-603	Van Wart, Ehren	Community Restoration Corporation (Claim No. 127 for \$70,842.57) & CRE Investments, Inc. (Claim No. 138 for \$2,529.92)	Competing claims. The balance available for initial distribution for Unit N-603 is \$14,927.93, but the total amount of the asserted lien claims is \$73,372.49. The property records show: "Deed of Trust made by Erhen Van Wart to PRLAP, Inc. as trustee, in favor of Bank of America, NA in the amount of \$43,400.00 dated May 3, 2006 and recorded November 6, 2006 in Book 26378 Page 178. Assignment of Deed of Trust to Community Restoration Corporation" and "Taxes sold to CRE Investments, Inc. as shown on Tax Information Sheet" but the entry does not have a date or amount. The Association requests that the Court determine the priority of the Lienholder Claims and their respective allowed amounts, if any.
S-613	Brown, Dwayne Calvin & Carter, Nathan	Walling Trust Admin (Claim No. 129 for \$10,000.00); Bardach, Richard (Claim No. 131-1 for \$82,500); & Richmond, Kevin (Claim Nos. 136-1, 136-2 for \$40,000)	Competing claims. No amounts are currently available for distribution on account of condominium dues exceeding preliminary payout. Condominium dues balance of \$6,377.26 will be satisfied before payment. The claims and the property records for Unit S-613 are described above in the entry for Unit N-101. The Association requests that the Court determine the priority of the Lienholder Claims and their respective allowed amounts, if any in the event subsequent distributions exceed the outstanding condominium dues balance.
S-715	Mallory, Viola and Chilsom, Gregory S.	Karkenny, Samuel	On hold pending the resolution of Mr. Karkenny's other objection raised at the October 3, 2018 hearing for Unit S-416, and Mr. Karkenny has advised Pillsbury that he intended to file a pleading challenging the condominium fees assessed with respect to Unit S-715.