

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
WESTERN DIVISION**

IN RE:)	CHAPTER 11
)	
COMMERCIAL MORTGAGE AND FINANCE, CO.)	Case No. 08-73242
)	
)	
Debtor.)	Judge Manuel Barbosa

**NOTICE OF HEARING ON
MOTION TO ESTABLISH RESTRICTED BANK ACCOUNT**

TO: See attached service list.

The Official Committee of Unsecured Creditors has filed a Motion to Establish Restricted Bank Account.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. (If you do not have an attorney, you may wish to consult one.)

If you do not want the Court to grant the Motion, you or your attorney must:

1. File a written response to the Motion on or before the date set for the hearing on the motion at:

Clerk of Court
United States Bankruptcy Court
211 South Court Street
Rockford, IL 61101

OR

2. Attend the hearing scheduled to be held on **Wednesday, January 28, 2009 at 10:30 a.m.** at the United States Bankruptcy Court, 211 South Court Street, Rockford, Illinois 61101.

If you mail your Response to the Court for filing, you must mail it early enough so that the Court will receive it on or before the date stated above.

You must also mail a copy of your Response to:

Attorney Bradley T. Koch
Holmstrom & Kennedy, P.C.
P.O. Box 589
Rockford, IL 61105-0589

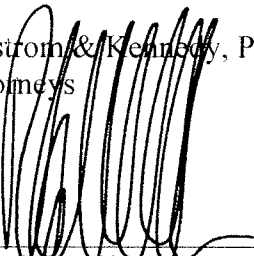
If you or your attorney do not take these steps, the Court may decide that you do not oppose the relief sought in the Motion or Objection and may enter an Order granting that relief.

Dated: January 23, 2009.

The Official Committee of Unsecured Creditors of
Commercial Mortgage and Finance, Co., Debtor

Holmstrom & Kennedy, P.C.,
Its attorneys

By: _____



One of its attorneys

ATTORNEY BRADLEY T. KOCH - #3122997
Holmstrom & Kennedy, P.C.
800 N. Church St. P.O. Box 589
Rockford, IL 61105
(815) 962-7071
(815) 962-7181

PROOF OF SERVICE

The undersigned, being first duly sworn, states that a copy of the foregoing *Notice of Hearing and Motion to Establish Restricted Bank Account* was served upon the parties and attorneys of record herein, by depositing said envelope, with postage fully prepaid by first class mail, in the United States Post Office mailbox in Rockford, Illinois on the 23rd day of January, 2009:

Bille A. Verkuilen
3129 9th Street
Rockford, IL 61109

Billie Chandler
1128 Copper Drive
Machesney Park, IL 61115

Carl T. Kampmeier
8071 11th Street
Davis Junction, IL 61020

Dorothy E. Kingbeil
1405 29th Street
Rockford, IL 61108

Earl L. Hodgkinson
1408 Bliss Street
Belvidere, IL 61008

Glen L. Rippentrop
8371 North Mulford Road
Monroe Center, IL 61052

James H. Larson M.D.
10245 Tybow Trail
Roscoe, IL 61073

James L. Kramer
18W720 13th Street
Lombard, IL 61048

Jennie V. Kliebe
10520 Montague Road
Winnebago, IL 61088

Jerome J Strohacker
580 Brad Mar Drive
Freeport, IL 61032

James and Joyce McKnight
c/o Hinshaw & Culbertson
100 Park Avenue
Rockford, IL 61101

Kermit F. Browman
415 South Bell School Road
Rockford, IL 61108-2613

Maria T. Liebing
975 South Bell School Rd
Rockford, IL 61108

Nancy Pohl
c/o Becky Voll
7659 Rogers Street
Machesney Park, IL 61115

Paul E. Bengé
4578 Olde Lyme Drive
Rockford, IL 61114

Richard F. Shouer
24 West Coates Street
Freeport, IL 61032

Salvador J. Sciortino
3246 Bildahl
Rockford, IL 61109-2147

Samuel R. Rebecca
1108 Mayfair Place
Rockford, IL 61107-3651

Attorney Linda Godfrey
6563 Old Hunter's Run
Rockford, IL 61114
(Via ECF & US Mail)

Paul S. Godlewski
One Court Place Suite 103
Rockford, IL 61101
(Via ECF & US Mail)

Internal Revenue Service
Centralized Insolvency
Operations
PO Box 21126
Philadelphia, PA 19114

Shirley J. Sellers
1304 Riverbend Lane
Belvidere, IL 61008

Wayne Holton
6366 Fitzgerald Road
Rockford, IL 61103

Attorney Gregory J. Jordan
22 West Washington Street
15th Floor
Chicago IL 60602

Attorney Carole J. Ryczek
US Trustees' Office
780 Regent Street, Suite 304
Madison, WI 53715

Attorney Jamie S. Cassel
2902 McFarland Road
Suite 400
Rockford, IL 61107
(Via ECF & US Mail)

Attorney Donald P. Shriver
515 N. Court Street
Rockford, IL 61103
(Via ECF & US Mail)

Attorney William A. Reilly
6801 Spring Creek Road
Suite 2D
Rockford, IL 61114
(Via ECF & US Mail)

Attorney Thomas J. Lester
100 Park Ave.
PO Box 1389
Rockford, IL 61105
(Via ECF & US Mail)

Attorney David L. Davitt
4023 Charles Street
Rockford, IL 61108
(Via ECF & US Mail)

Attorney Brent Blair
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Rockford, IL 61101
(Via ECF & US Mail)

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530 S. State Street, Suite 200
Belvidere, IL 61008
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Attorney Andrew J. Vella
401 West State Street
Suite 300
Rockford, IL 61101
(Via ECF & US Mail)

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100 Park Ave.
PO Box 1389
Rockford, IL 61105
(Via ECF & US Mail)

Attorney Victoria R. Glidden
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PO Box 1389
Rockford, IL 61105
(Via ECF & US Mail)

Attorney Thomas Laughlin
6833 Stalter Drive
Suite 204
Rockford IL 61108
(Via ECF & US Mail)

Maria T. Studebacker
Dal Cero
Via Dugoni 23
Mantova, Italy 46100

Maria T. Studebacker
1508 Apace Drive
Rockford, IL 61107

Katie Norris

Subscribed and sworn to before me
this 23rd day of January, 2009.

Kristine A. Butterfield
Notary Public



BRADLEY T. KOCH - #3122997
Holmstrom & Kennedy, P.C.
800 N. Church St., O. Box 589
Rockford, IL 61105
(815) 962-7071

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
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IN RE:)	CHAPTER 11
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COMMERCIAL MORTGAGE AND FINANCE, CO.)	Case No. 08-73242
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)	
Debtor.)	Judge Manuel Barbosa

MOTION TO ESTABLISH RESTRICTED BANK ACCOUNT

The Official Committee of Unsecured Creditors (the “Committee”) by its attorneys, Holmstrom & Kennedy, P.C., for its Motion to Establish Restricted Bank Account, states:

1. On October 8, 2008 (the “Petition Date”), Commercial Mortgage and Finance Co., Debtor filed a Voluntary Petition for Relief pursuant to Chapter 11 of the Bankruptcy Code.

2. The Debtor continues to operate its business and manage its property as a Debtor-in-Possession pursuant to Sections 1107 (a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this bankruptcy proceeding.

3. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. Sections 157 and 1334. Venue is proper pursuant to U.S.C. Sections 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. Section 157(b)(2)(A).

4. On November 6, 2008, the Office of the United States Trustee for the Northern District of Illinois (the “Trustee”) appointed the following creditors to serve on the Committee in this bankruptcy proceeding:

Jerome J. Strohacker
James H. Larson
James L. McKnight
Samuel R. Rebecca
Mengyue Abernathy

5. The Debtor does not have any secured creditors.

6. The assets of the Debtor include all of the issued and outstanding stock in the following wholly owned subsidiary corporations:

CMF Mortgage Co. (hereinafter "CMF")
City Plaza Realty, Inc. (hereinafter "City Plaza")
Greater Grandview, Inc. (hereinafter "Greater Grandview")
Security Safe Deposit, Inc. (hereinafter "Security Safe")

7. On or about December 31, 2007 and as of the commencement of this bankruptcy proceeding, CMF, City Plaza and Greater Grandview were indebted to the Debtor in the following approximate amounts:

CMF - \$11,393,875.00
City Plaza - \$1,125,000.00
Greater Grandview - \$241,644.28

8. The indebtedness of CMF, City Plaza and Greater Grandview to the Debtor constitutes one of the significant assets of the Debtor's bankruptcy estate and is unsecured.

9. City Plaza owns certain real estate which is not subject to any liens or encumbrances, other than a lien for any unpaid real estate taxes, and is described upon Exhibit A, a photocopy of which is attached hereto and hereby incorporated by reference (hereinafter "City Plaza Real Estate").

10. Greater Grandview owns certain real estate which is not encumbered by any liens or encumbrances, other than a lien for any unpaid real estate taxes, and is described upon Exhibit B, a photocopy of which is attached hereto and hereby incorporated by reference (hereinafter "Grandview Real Estate").

11. CMF owns certain real estate which is not encumbered by any liens or encumbrances, other than a lien for any unpaid real estate taxes, and is described upon Exhibit C,

a photocopy of which is attached hereto and hereby incorporated by reference (hereinafter “CMF Real Estate”).

12. According to the Schedules filed by the Debtor with this Court, the Debtor owns assets having a value of \$40,790,116.11 consisting of real property valued at \$12,888,650.18 and personal property of \$27,901,465.93.

13. In its Schedules, the Debtor lists its liabilities to general unsecured creditors to be \$63,102,425.07.

14. The Debtor has not yet filed a Plan of Reorganization with this Court. However, based upon a review of financial and business information and documents provided to the Committee by the Debtor, the Committee believes it is very likely that any Plan will involve the orderly sale and liquidation of the Debtor’s assets as well as the assets of its subsidiary corporations for the benefit of creditors.

15. Until a Plan of Reorganization is confirmed by this Court, given the substantial liabilities to general unsecured creditors, it would be in the best interest of creditors and would preserve the assets of the Debtor’s bankruptcy estate for this Court to enter an order providing that any proceeds derived from any sale or disposition of any real or personal property by the Debtor or any of its subsidiary corporations, CMF, City Plaza, Greater Grandview and Security Safe, be deposited into a separate, restricted interest bearing, bank account (“Bank Account”) for the benefit of creditors. Any withdrawal of funds from the Bank Account would require the written consent and agreement of both the Debtor and the Committee through a signature of both a designated duly authorized representative of the Debtor and a designated duly authorized representative of the Committee upon a check or other withdrawal document relating to the Bank Account. In the event the Committee would not consent or agree to a proposed withdrawal from the Bank Account, the Order would also provide that the proposed withdrawal of funds from the

Bank Account could only be made upon the entry of an Order by this Court approving and authorizing the proposed withdrawal, after notice and a hearing.

16. Notice of this Motion has been given to (a) the United States Trustee; (b) the Debtor's twenty (20) largest unsecured creditors; and (c) any other party requesting notice. In light of the nature of the relief requested, the Committee submits that no further notice is required.

WHEREFORE, the Official Committee of Unsecured Creditors, respectfully requests the entry of an Order by this Court containing the following relief:

A. Directing Commercial Mortgage and Finance, Co., Debtor to establish a separate, restricted interest bearing bank account ("Bank Account") into which any and all proceeds derived from the sale or disposition of any real or personal property by Commercial Mortgage and Finance, Co., Debtor or any of its wholly owned subsidiary corporations, CMF Mortgage Co., City Plaza Realty, Inc., Greater Grandview, Inc. and/or Security Safe Deposit, Inc. are to be deposited and held for the benefit of the creditors of Commercial Mortgage and Finance, Co., Debtor;

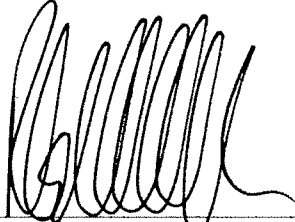
B. Providing that any withdrawals from the Bank Account can be made only upon the written consent and agreement of both Commercial Mortgage and Finance, Debtor and the Official Committee of Unsecured Creditors through the signature of both a designated duly authorized representative of Commercial Mortgage and Finance, Co., Debtor and a designated duly authorized representative of the Official Committee of Unsecured Creditors upon a check or withdrawal document relating to the Bank Account or, if the Official Committee of Unsecured Creditors does not consent or agree to a proposed withdrawal from the Bank Account, upon the entry of an Order by this Court approving and authorizing the proposed withdrawal from the Bank Account, after notice and a hearing; and

C. For such other and further relief as the Court deems just and equitable.

Dated: JANUARY 23, 2009

The Official Committee of Unsecured Creditors of
Commercial Mortgage and Finance, Co., Debtor

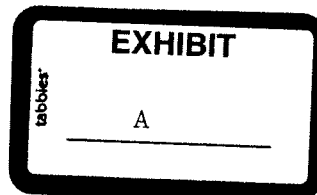
Holmstrom & Kennedy, P.C.,
Its attorneys

By:  _____
One of its attorneys

ATTORNEY BRADLEY T. KOCH - #3122997
Holmstrom & Kennedy, P.C.
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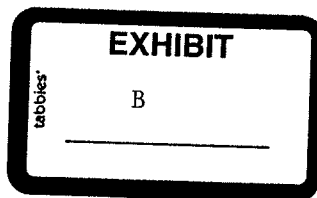
City Plaza Realty, Inc.
Homes

	ID #
Rockford	
2203 Barton Blv	11-11-156-019
2108 Arthur Ave	11-16-405-020
150 9th St.	11-23-482-012
	11-23-482-010
	11-23-482-009
	11-23-482-011
160 9th St.	11-23-482-008
135 N Longwd	11-23-482-002
127 N Longwd	None
125 N Longwd	11-23-482-003
123 N Longwd	11-23-482-004
119 N Longwd	11-23-482-005
117 N Longwd	
115 N Longwd	11-23-482-006
Vacant Triangle	11-23-482-001



GRANDVIEW

Lot	Address	Pin #
34	8915 Overlook Dr.	04-24-478-010
44	12772 Overlook Ct.	
or	8755 Overlook Dr.	04-24-452-006
or	12749 Skyline Dr.	
50	8564 Kiowa Crossing	04-24-401-016
51	12740 Skyline Dr.	04-24-401-015
Future plat IV		



CMF Mortgage Homes

	ID #
Rockford	
5609 Newburg Rd.	12-33-202-024
1763 E Prairie Decatur, IL	04-12-13-157-007
1026 N Pine Janesville, WI	241-126200467
9000 N Raven Crest Byron, IL 61010	05-29-100-021
713 N Court St Rockford, IL	11-23-130-004
Park Meadow N. Plat 3	206-21850600
Park Meadow N, Beloit, WI	206-21850600
Lot 79-2640 Jerry Thomas	206-21860015
Lot 80 2215 Red Barn Ln	206-21860020
Lot 81 2680 Jerry Thomas	206-21860025
Lot 89 2600 Claremont Dr	206-21860065
Lot 90 2605 Claremont Dr	206-21860070
Lot 91 2705 Claremont Dr	206-21860075
Lot 93 2725 Claremont Dr	206-21860085
Lot 94 2735 Claremont Dr	206-21860090
Lot 95 2745 Claremont Dr	206-21860095
Lot 96 2755 Claremont Dr	206-21860100
Lot 97 2765 Claremont Dr	206-21860105
Lot 99 2750 Claremont Dr	206-21860115
Lot 100 2730 Claremont Dr	206-21860120
Lot 101 2710 Claremont Dr	206-21860125
Park Meadow N. Plat 4 2250 W. Hart Rd	206-21860600

