

**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 FOR IMPOSITION OF LIENS AND ENCUMBRANCES**

TO: See attached service list.

The Official Committee of Unsecured Creditors has filed a Motion for Imposition of Liens and Encumbrances with this Court.

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:

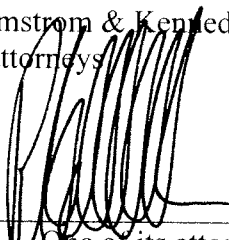
Attorney Bradley T. Koch
Holmstrom & Kennedy, P.C.
P.O. Box 589
Rockford, IL 61105-0589

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 for Imposition of Liens and Encumbrances* 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
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Rockford, IL 61101

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Maria T. Liebing
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c/o Becky Voll
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Paul E. Bengé
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Salvador J. Sciortino
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(Via ECF & US Mail)

Paul S. Godlewski
One Court Place Suite 103
Rockford, IL 61101
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Internal Revenue Service
Centralized Insolvency
Operations
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Philadelphia, PA 19114

Shirley J. Sellers
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Belvidere, IL 61008

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(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 Morris

Subscribed and sworn to before me
this 3rd 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
WESTERN DIVISION**

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 FOR IMPOSITION OF LIENS AND ENCUMBRANCES

The Official Committee of Unsecured Creditors (the “Committee”) by its attorneys, Holmstrom & Kennedy, P.C., for its Motion for Imposition of Liens and Encumbrances, 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") some of which City Plaza Real Estate is leased to third parties pursuant to Lease Agreements (hereinafter "City Plaza Leases") as well as other personal property.

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") as well as other personal property.

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”) and is also the holder of a number of Promissory Notes executed by third parties payable to the order of CMF (hereinafter “CMF Mortgage Notes”) which CMF Mortgage Notes are secured by mortgages encumbering real property granted by third parties to CMF Mortgage (hereinafter “CMF Mortgages”).

12. The City Plaza Real Estate, City Plaza Leases, Grandview Real Estate, CMF Real Estate, CMF Mortgage Notes and CMF Mortgages constitute significant assets of the Debtor’s wholly owned subsidiary corporations but are not a part of the Debtor’s bankruptcy estate.

13. Given the substantial obligations and indebtedness of CMF, City Plaza and Greater Grandview to the Debtor, which obligations and indebtedness are currently unsecured, it would be in the best interest of creditors and the Debtor’s bankruptcy estate to impose a lien and encumbrance for the benefit of creditors of the Debtor upon the assets and property, real and personal, tangible and intangible of the Debtor’s wholly owned subsidiary corporations, CMF, City Plaza, Greater Grandview and Security Safe including, but not limited to, City Plaza Real Estate, City Plaza Leases, Grandview Real Estate, CMF Real Estate, CMF Mortgage Notes and CMF Mortgages.

14. The lien and encumbrance to be imposed upon the assets and property, real and personal, tangible and intangible, of the Debtor’s wholly owned subsidiary corporations, CMF, City Plaza, Greater Grandview and Security Safe would be for the benefit of the creditors of the Debtor and subject to the priorities set forth within the Bankruptcy Code including, but not limited to, Section 507 of the Bankruptcy Code.

15. 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. Granting and imposing a lien and encumbrance in favor of the Official Committee of Unsecured Creditors for the benefit of the creditors of Commercial Mortgage and Finance Co, Debtor against the assets and property, real and personal, tangible and intangible, of CMF Mortgage Co, Greater Grandview, Inc., Security Safe Deposit, Inc. and City Plaza Realty, Inc. including, but not limited to, the CMF Real Estate, City Plaza Real Estate, Grandview Real Estate, City Plaza Leases, CMF Mortgage Notes and CMF Mortgages;

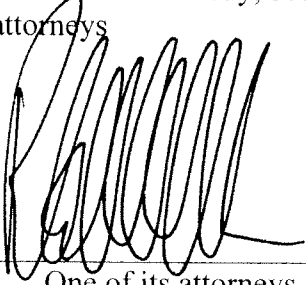
B. Determining that the lien and encumbrance to be imposed upon the assets and property, real and personal, tangible and intangible, of the wholly owned subsidiary corporations, CMF Mortgage, Co., City Plaza Realty, Inc., Greater Grandview, Inc. and Security Safe Deposit, Inc. would be for the benefit of the creditors of Commercial Mortgage & Finance Co., Debtor and would be subject to the priorities set forth within the Bankruptcy Code including, but not limited to, Section 507 of the Bankruptcy Code; and

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

Dated: JANUARY 23, 2009

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

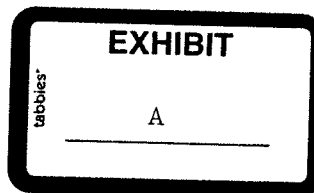
Holmstrom & Kennedy, P.C.,
Its attorneys

By:  _____
One of its attorneys

ATTORNEY BRADLEY T. KOCH - #3122997
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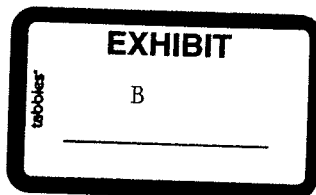
City Plaza Realty, Inc.
Homes

	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

