

**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 RESTRICT AND LIMIT LOAN TRANSACTIONS**

TO: See attached service list.

The Official Committee of Unsecured Creditors has filed a Motion to Restrict and Limit Loan Transactions 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:

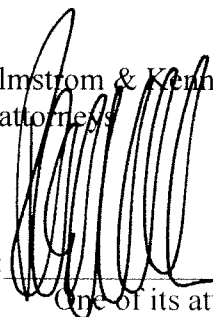
Attorney Bradley T. Koch
Holmstrom & Kennedy, P.C.
P.O. Box 589
Rockford, IL 61105-0589

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
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800 N. Church St. P.O. Box 589
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(815) 962-7071
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PROOF OF SERVICE

The undersigned, being first duly sworn, states that a copy of the foregoing *Notice of Hearing and Motion to Restrict and Limit Loan Transactions* 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:

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Monroe Center, IL 61052

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Dal Cero
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Mantova, Italy 46100

Maria T. Studebacker
1508 Apace Drive
Rockford, IL 61107

Katie Morris

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
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(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 RESTRICT AND LIMIT LOAN TRANSACTIONS

The Official Committee of Unsecured Creditors (the “Committee”) by its attorneys, Holmstrom & Kennedy, P.C., for its Motion to Restrict and Limit Loan Transactions, 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. In the operation of their respective businesses, the Debtor and CMF will make loans to third parties secured by mortgages against real property granted by the third parties to the Debtor or CMF.

10. CMF will borrow funds from the Debtor in order to fund the loans made to third parties.

11. The substantial indebtedness of CMF to the Debtor was incurred by CMF in funding the making of mortgage loans to its customers.

12. 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 that 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.

13. Until a Plan of Reorganization is confirmed by this Court, it would be in the best interest of creditors and would preserve the assets of the Debtor's bankruptcy estate to restrict and limit the ability and authority of the Debtor to make any loans to CMF, City Plaza, Greater Grandview, Security Safe or any third party as well as the ability and authority of CMF, City Plaza, Security Safe or Greater Grandview to make any loans without first obtaining the prior written consent and agreement of the Committee or, if the Committee does not consent or agree to the making of such loan, the prior approval and authorization of this Court through the entry of an Order authorizing and approving such loan or loans, after notice and a hearing.

14. 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. Restricting and limiting the ability and authority of Commercial Mortgage and Finance, Co., Debtor, to make any loans of funds to CMF Mortgage, Co., City Plaza Realty, Inc., Greater Grandview, Inc., Security Safe Deposit, Inc. or any third party and the ability and authority of CMF Mortgage Co, City Plaza Realty, Inc., Greater Grandview, Inc. or Security Safe Deposit, Inc. to make any loans only after obtaining the prior written consent and agreement of the Official Committee of Unsecured Creditors to such loans or, if the Official Committee of Unsecured Creditors does not agree to the making of such loan, with the prior approval and

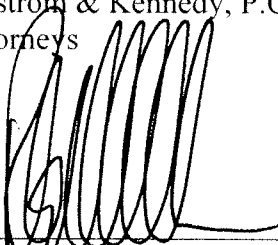
authorization of this Court through the entry of an Order approving and authorizing the making of the loan or loans, after notice and a hearing; and

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

Dated: JAN Jan 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

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