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September 10, 2002

Assistant City Attorney Gregg Hagopian
Via Facsimile Only (286-8550)

Re: United Apostolic Church
Our file number 236569

Dear Gregg:

I am writing to provide you and the council with additional information in support of our recommendation to accept a compromised settlement of the judgment we have obtained against United Apostolic Church of God, Inc. ("the church"), for real estate taxes levied 1992-2000.

According to their attorney, Milt Emmerson, the church has a relatively small congregation of about 100 members. Its sole asset of any significant value is the real property that is the subject of the taxes at issue, where the church conducts its meetings and worship. Its sole form of income is the contributions of its members – the church has no separate business ventures of any sort. It has no real savings, just a bank account it uses to make weekly deposits and pay bills.

The church claims to have a "benefactor" that is willing to help obtain a loan, secured, in part, by the real property itself (there is no mortgage, but it is only assessed at \$13,190). Mr. Emmerson insists that they cannot work a loan for the full amount of the judgment (\$43,945.79 plus costs), but should be able to obtain the proposed settlement amount of \$26,588.72, which is the amount of the original taxes, prior to the accrual of interest and penalties.

Frankly, I think there's a real chance that, even if this settlement is approved by the council, the church may fail in its attempt to obtain the funds. But I certainly think it's worth giving this plan a try, as in the alternative, we really have no viable means of collection.

I look forward to hearing from you in this regard.

Sincerely,

Robert E. Potrzebowski, Jr.