



Legislation Text

File #: 060891, Version: 1

060891

THE CHAIR

Resolution relating to the cancellation of loan balances due from Community Development Corporation of Wisconsin.

This resolution authorizes the cancellation of loan balances due from Community Development Corporation of Wisconsin as result of Chapter 7 bankruptcy proceedings in Case No. 99-21871 pending in the United States Bankruptcy Court for the Eastern District of Wisconsin.

Resolution

Whereas, There is currently pending a Chapter 7 bankruptcy proceedings in Case No. 99-21871 pending in the United States Bankruptcy Court for the Eastern District of Wisconsin, filed on behalf of Community Development Corporation of Wisconsin; and

Whereas, The Final Report of the Trustee in that action lists general unsecured claims in an amount of \$2,261,937.90 and proposes that unsecured creditors holding such claims receive a recovery of 2.849761%; and

Whereas, The City of Milwaukee filed general unsecured claims in such action in an aggregate amount of \$1,487,021 and has received payment on such claims in an aggregate amount of \$43,686.52, as set forth in the Loan Schedule attached hereto and made a part of this file; and

Whereas, The debtor has ceased operations and no further recovery on such loan balances is reasonably anticipated; and

Whereas, Under these circumstances, the cancellation of the loan balances due to the City of Milwaukee's reflects the legal liability of the parties;

Whereas, The Common Council wishes to cancel these loan balances; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the remaining outstanding loan balances due from the Community Development Corporation of Wisconsin in an aggregate amount of \$1,443,334.48 be and hereby are cancelled.

City Attorney

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October 17, 2006

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