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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re:

Kollel Match Efraim, LLC,

Debtor.

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Case No. 04-16410-SMB

Chapter 7

RESPONSE OF MEW EQUITY, LLC TO TRUSTEE'S
MOTION TO APPROVE BIDDING PROCEDURES
AND SALE AND GRANTING RELATED RELIEF

MEW Equity, LLC ("MEW"), by its attorneys, Scott A. Rosenberg, P.C., as and for its response to the motion to approve bidding procedures and sale and granting related relief (the "Motion") of Robert L. Geltzer (the "Trustee"), chapter 7 trustee of the above referenced debtor, Kollel Match Efraim, LLC, states as follows:

1. As this Court is aware, MEW is the holder of two mortgages against certain real property (the "Property") owned by Helen May Holdings, LLC ("HMH") that is immediately adjacent to two parcels of land that the Debtor owns. It is the Property that is the subject of the PrePetition Purchase Agreement as defined in the Motion (see ¶ 8).

2. MEW is not taking a position with respect to the Trustee's request for authority to sell by auction the parcels of land that the Debtor owns, or the rights of the Debtor, if any, under the PrePetition Purchase Agreement, or the ability of the Trustee to do any of the foregoing. MEW is aware of the objection to the relief sought by the Trustee in the Motion

that HMH has filed with the Court. MEW takes no position concerning the issues, contentions and allegations made by HMH in its objection.

3. The purpose of this response is to advise the Court of the status of MEW's mortgages and the pending state court foreclosure action. MEW believes that despite the Trustee's reference to both in the Motion (see ¶ 15), the Court would benefit from a more detailed summary of this aspect of the matter. Further, Mew requests that should the Court authorize the auction sale process sought by the Trustee, that the Trustee should be directed to provide certain disclosures concerning the mortgages and the foreclosure action as detailed herein below.

4. The senior mortgage held by MEW is in the principal amount of \$1,200,000. The junior mortgage held by MEW is in the principal amount of \$150,000. Both mortgages are in default and MEW has declared a default and gave notice to HMH of said defaults. Pursuant to the terms of the mortgages, upon the declared defaults the rate of interest under both mortgages is 24%, as of the dates of defaults and continuing until satisfaction in full of all amounts due under the mortgages. .

5. MEW commenced a foreclosure action in the New York State Supreme Court for the County of Sullivan, index number 440-07. MEW has obtained relief from the automatic stay in this case so as to name the Debtor as a defendant based on its contingent contract rights in the Property.

6. The Trustee is correct when he states in the Motion that MEW agreed to hold off on obtaining appointment of a referee in the foreclosure action while the Trustee, HMH and MEW discussed a possible structure for a joint sale process for the Debtor's two parcels of land and the Property. It was the Trustee and HMH who approached MEW about such a structure. MEW believed that both parties were earnestly working to market and sell the

properties in a collective manner and on an expedited basis that a section 363 sale could afford so as to maximize the value of all of the properties, which in turn would benefit all of the concerned parties.

7. However, no understanding was reached, and the Trustee, HMH and MEW never signed an agreement regarding a structure for a joint sale. Though MEW was anticipating further discussions, it discovered that the Trustee filed the Motion. Since the Trustee is now seeking only to sell and assign the estate's rights and interests in the PrePetition Purchase Agreement, to the extent any such rights and interests exist, and he no pursuing a joint marketing and sale approach, there is no need for MEW to restrain any longer from pursuing the foreclosure action.

8. Presently, the total amount due under the senior mortgage, inclusive of interest through March 20, 2008 is: principal - \$1,200,000; accrued interest on principal - \$401,600; insurance paid (10/30/07) – \$7,517.54; accrued interest on the insurance paid – \$707.82, for an approximate total of \$1,609,825.30, with per diem interest on the principal of \$800, and \$5.02 on the insurance payment.

9. Presently, the total amount due under the junior mortgage, inclusive of interest through March 20, 2008 is: principal - \$150,000; and accrued interest on principal - \$48,700, for an approximate total of \$198,700, with per diem interest on the principal of \$100.

10. Accordingly, as of March 20, 2008 the approximate total due under both mortgages is \$1,808,525.30. This amount is an estimate and is subject to the calculations and report of the referee to be appointed in the foreclosure action. In addition to the foregoing amount due, MEW will be entitled to attorneys' fees, costs and disbursements (both from the foreclosure action and in connection with this bankruptcy case), as provided under the mortgages and by law.

11. So that any prospective purchaser of the estate's interests in the PrePetition Purchase Agreement is provided full information concerning the liabilities of HMH that attach to the Property and to ensure that such purchaser is fully aware of how much it would have to cure, or redeem under the mortgages so as to preclude a foreclosure sale of the Property, the Trustee must be required to provide certain disclosures in any noticing, publication or posting, whether by mail, in periodicals, or on any website.

12. At a minimum, such disclosure should include the foregoing amounts due under the mortgages, plus advise that there will be attorneys' fees, costs and disbursements added to that amount. Additionally, the Trustee should give notice of the existence and details of the foreclosure action, and of MEW's counsel in the foreclosure action. Finally, the disclosure should include that the sale and assignment of the PrePetition Purchase Agreement is subject to the mortgages and the foreclosure action and that the Property is at risk of being sold through foreclosure and that such a sale would extinguish any and all rights and interests in and to the Property that might exist under the PrePetition Purchase Agreement.

WEHREFORE, MEW Equity, LLC respectfully requests that this Court require the Trustee to provide the above discussed disclosures should the Court grant the Trustee authority to sell and assign the PrePetition Purchase Agreement.

Dated: Westbury, New York
March 20, 2008

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By:

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