

**SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION**

DISTRICT OF COLUMBIA)	
)	
Plaintiff,)	2018 CA 005830 B
)	
v.)	
)	
EADS, LLC, <i>et al.</i>)	
)	
Defendants.)	
)	

ORDER APPOINTING RECEIVER

This matter came before the Court on December 13, 17, 20, and 28, 2018 for a hearing on the District of Columbia’s (the “District”) Petition for Appointment of Receiver for 5320 8th Street NW, Washington D.C. 20011 (the “Property”). Based upon the evidence submitted with the District’s Complaint and Pre-Hearing Statement, as well as that presented in connection with the hearing, the Court grants the District’s request to appoint a Receiver, after finding “a pattern of neglect for the property for a period of 30 consecutive days and such neglect poses a serious threat to the health, safety, or security of the tenants. *See* D.C. Code § 42-3651.02(b).

This Court has jurisdiction over the subject matter of this case pursuant to D.C. Code § 11-921. This Court has jurisdiction over EADS, LLC, Minnesota Group, LLC, and Delores Johnson (for the purposes of this Order, collectively, the “Defendants”) pursuant to D.C. Code § 13-423. The court also has jurisdiction over 5320 8th Street NW, a thirty-nine unit apartment complex located in the northwest quadrant of Washington, D.C., that is owned and operated by the Defendants.

IT IS THEREFORE ORDERED that Benjamin Gilmore (the “Receiver”) is hereby appointed receiver for the Property and shall have all powers and duties as conferred in D.C. Code § 42-3651.06, with directions and authority to accomplish the following, in accordance with the terms of this Order and subject to the supervision of this Court:

1. During the term of this Order, the Receiver is the sole person responsible for abating D.C. Code violations and threats to life, health, safety, and security at the Property.
2. As part of his duties, the Receiver will ensure compliance with the D.C. Housing Code (1 through 16 of Title 14 of the District of Columbia Municipal Regulations or Titles 12A-12L of the District of Columbia Municipal Regulations), the D.C. indoor mold law (D.C. Code §§ 8-241.01-241.09), and regulations (20 DCMR §§3200-3299) at the Property.

3. The Receiver shall make all repairs that are reasonable and necessary to abate violations of the District of Columbia Code that currently exist or may exist in the future at the Property while this Order is in effect.
4. The Receiver shall take all actions that are reasonable and necessary to abate threats to life, health, safety, and security that currently exist or may exist in the future at the Property while this Order is in effect. It is understood that for purposes of this Order, “threats to life health, safety, and security” include, but are not limited to, vermin infestation, indoor leaks, faulty electrical wiring, faulty heating, and mold.
5. The Receiver and his agents are authorized to access any part of the Property while this Order is in effect, as well as to provide the District, or the District’s agents, and EADS, LLC’s agents access to the Property.
6. The Receiver is authorized to retain and employ such agents, employees, and contractors, including members and employees of the Receiver’s firm, as may in the Receiver’s judgment be appropriate or necessary to assist in the performance of his duties under this Order. All such agents, employees, contractors, and the Receiver shall provide proof of liability and workmen’s compensation insurance, naming the Defendants as additional insureds, prior to performing any work at the Property.
7. The Receiver is authorized to make such payments and disbursements as may be appropriate under the terms of this Order.
8. The Receiver is authorized to collect any and all rents from tenants at the Property and use those rents, in addition to other funds from Defendants called for under this Order, in carrying out his responsibilities under this Order.
9. The Receiver is authorized to receive a reasonable compensation, including reimbursement for actual out-of-pocket expenses incurred, for fulfilling his duties under this Order, subject to approval by this Court. The Receiver may apply by noticed motion for payment of his reasonable compensation from the funds provided under this Order by the Defendants. Absent further approval by the Court, such compensation shall not exceed payment at a rate of \$274 per hour or for more than 80 hours of work to conduct an initial assessment for the purposes of completing a plan as described in paragraph 11 of this Order.
10. Except for gross negligence or intentional wrongdoing in carrying out the receivership, the Receiver shall not be liable for any loss or damage incurred by the Defendants or their representatives, agents, attorneys, or those persons in active concert or participation with them, by reason of any act performed or omitted to be performed by the Receiver in connection with the discharge of his duties and responsibilities under this Order.

IT IS FURTHER ORDERED that:

11. On or before February 11, 2019, the Receiver shall provide the Court and the Parties with an Assessment and Plan that includes:
 - a. A comprehensive assessment of all violations of the D.C. Code and threats to health, safety, and security that exist at the Property;
 - b. Estimated costs for the repairs needed to abate all violations of the D.C. Code and threats to health,

safety, and security the Property, including estimates from licensed contractors wherever possible;
and

c. A projected timeline for the completion of repairs to the Property.

12. Pending approval of the Initial Assessment and Plan by the Court, the Receiver is fully authorized to make any emergency repairs at the Property and to conduct any maintenance that is typically carried out on a regular basis, such as cleaning and trash removal.

IT IS FURTHER ORDERED that, Defendants, jointly and severally, shall provide the Receiver with all the funds necessary to fulfill the terms of this Order, pursuant to D.C. Code § 42-3651.05(f), which shall include the following specific initial amounts:

13. By January 15, 2019, Defendants, jointly and severally, shall deposit \$35,000 into a bank account under the control of the Receiver to pay the Receiver's expenses incurred during the initial assessment of the Property. "Expenses incurred during the initial assessment of the Property" shall include all expenses for routine and emergency maintenance, as well as any expenses incurred for purposes of creating the Initial Assessment and Plan described in Paragraph 11 of this Order.
14. Upon notice from the Receiver that additional funds are necessary to carry out his responsibilities under this Order, Defendants, jointly and severally, shall provide those additional funds, not to exceed \$15,000.00, within 72 hours consistent with instructions from the Receiver. Except for emergencies, the funds designated for the Initial Assessment and Plan shall not exceed \$50,000.
15. The Receiver may petition the Court for additional funds necessary to carry out the responsibilities under this Order.
16. In the event that an emergency occurs, Defendants, jointly and severally, shall provide the funds to abate the emergency within twenty-four hours to the Receiver. For purposes of this agreement, an emergency is any situation that causes an imminent threat to the life, health, or safety of the tenants. Emergencies can include but are not limited to: fire, flooding, carbon monoxide leaks, ceiling collapses, sewage backups, lack of heat in winter, and lack of water or electricity in the units.

IT IS FURTHER ORDERED that

17. Respondents Minnesota Group, LLC and Delores Johnson reserve the right to object, and specifically deny any personal financial liability for expenses incurred by the Receiver in fulfilling his duties under this Order subsequent to the submission of the Initial Assessment and Plan as described in Paragraph 11, above.
18. An expedited discovery and briefing schedule will be set by the Court on the issue of personal financial liability of Respondents Minnesota Group, LLC and Delores Johnson upon notification to the Court that the funds have not been deposited as required in paragraphs 13 and 14.

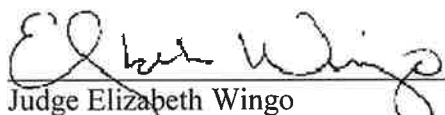
IT IS FURTHER ORDERED that Defendants shall:

19. Within five (5) business days of the effective date of this Order, or within such additional time as permitted by the Receiver, deliver over to the Receiver possession and custody all keys or combination to locks required to gain access to the Property as well as copies of any business records the Receiver deems necessary to carry out his responsibilities under this Order; and

20. If the initial deposit of \$35,000 is not paid by January 14, 2019, Defendants shall deliver, by January 21, 2019, to the District relevant financial data describe the capabilities of the Defendants to financially support the efforts of the Receiver including, but not limited to: 1) 2017 Federal and State tax returns; 2) all 2018 bank statements for accounts under any Defendants' control; and 3) all 2018 income statements.
21. All Parties shall cooperate fully with the Receiver and refrain from doing any act or thing whatsoever to interfere with the Receiver, or to in any way harass or interfere with the duties of the Receiver. Nothing in this paragraph shall limit the Defendants ability to file with the Court any objection to the Receiver's plan for the rehabilitation of the Property.

SO ORDERED.

December 28, 2018


Judge Elizabeth Wingo
Superior Court of the District of Columbia