



Legislation Text

File #: 31407, Version: 1

Fiscal Note

This resolution authorizes the assignment of seven judgments against a property owner that total \$141,228.55. In return for the assignment, a prospective owner of the property will pay the city \$75,000, or slightly more than half of the amount of the judgments. This assignment is in lieu of continuing to pursue the city's claim to surplus, which is not expected to result in any recovery of funds. As such, this resolution will result in \$75,000 of revenues that the city would not otherwise recover. The proceeds of the assignment of the judgment will be deposited in the city's general fund.

Title

Approving the Assignment of seven (7) judgments against 216 State Street, LLC to Music Lovers, LLC

Body

WHEREAS, the City holds the following judgments approved and ordered in Madison Municipal Court against 216 State Street, LLC, all of which were subsequently transcribed as judgments and docketed in Dane County Circuit Court against real property owned by 216 State Street, LLC:

1. Judgment docketed in Dane County Circuit Court on April 22, 2009 in the amount of \$4,582.00, Case No. 09-TJ-171.
2. Judgment docketed in Dane County Circuit Court on February 16, 2010 in the amount of \$172.00, Case No. 10-TJ-42.
3. Judgment docketed in Dane County Circuit Court on March 2, 2010 in the amount of \$4,872.95, Case No. 10-TJ-58.
4. Judgment docketed in Dane County Circuit Court on May 18, 2010 in the amount of \$3,327.00, Case No. 10-TJ-159.
5. Judgment docketed in Dane County Circuit Court on April 7, 2011 in the amount of \$1,941.00, Case No. 11-TJ-98.
6. Judgment docketed in Dane County Circuit Court on August 22, 2011 in the amount of \$54,462.60, Case No. 11-TJ-302.
7. Judgment docketed in Dane County Circuit Court on March 12, 2013 in the amount of \$71,871.00, Case No. 13-TJ-53.

(collectively, the "Judgments"); and

WHEREAS, the property located at 216 State Street is the subject of a foreclosure action in Dane County Circuit Court, entitled *Monona State Bank v 216 State Street, LLC, et al.*, Case No. 12-CV-3615; and

WHEREAS, the City filed a claim to surplus in the case; and

WHEREAS, the City's claim to surplus will likely be foreclosed resulting in the City's judgments remaining unpaid; and

WHEREAS, Music Lovers, LLC desires to purchase from the City the Judgments described above for \$75,000 and the City desires to assign to Music Lovers, LLC the Judgments listed above including all indebtedness due there under, all docketed judgment liens, all entitlement to proceeds, and all other

rights and remedies available under the Judgments as well as all rights of the City under the Judgments and under state and federal law;

NOW THEREFORE BE IT RESOLVED by the Common Council of the City of Madison that:

1. The City assigns and relinquishes to Music Lovers, LLC all of its interests, rights and remedies arising from, and related to, the Judgments including, but not limited to, all rights to proceeds, all indebtedness due under the terms of Judgments, and all rights of recovery under the terms of the Judgments. The City additionally assigns to Music Lovers, LLC all of its rights and interests in and under all other documents relating to the Judgments.
2. In consideration for the assignment, Music Lovers, LLC agrees to pay to the City the sum of Seventy Five Thousand and No/100 Dollars (\$75,000.00).
3. The City agrees to fully cooperate with Music Lovers, LLC regarding the assignment of the judgments and will execute an Assignment of Judgments with Music Lovers, LLC and deliver to Music Lovers, LLC all documents necessary to carry out the spirit of the Assignment.
4. The Mayor and the Clerk are authorized to sign the Assignment of Judgments and any documents necessary to carry out the assignment, subject to approval of the City Attorney.