

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	
Plaintiff,	)	Case No. 06 CR 964
	)	12 CR 875
vs.	)	
	)	Judge John J. Tharp, Jr.
MICHAEL E. KELLY	)	
	)	
Defendant.	)	

**ORDER APPROVING  
FOURTH AND FINAL RESTITUTION FUND DISTRIBUTION**

The Special Master, Douglas A. Doetsch, by and through his counsel, having filed his *Motion and Memorandum for Fourth and Final Restitution Fund Distribution* (the “**Fourth Distribution Motion**”) moving this Court to approve a final Restitution Fund distribution, and the Court being otherwise fully advised in the premises,<sup>1</sup>

**IT IS ORDERED AND ADJUDGED** as follows:

1. The Special Master and the Claims Processing Agent have taken all reasonable steps in conducting the Third Distribution and have complied with the Court’s prior orders in conducting the Third Distribution;
2. The claims of the 1,802 Unclaimed Victims from the Third Distribution listed on the Unclaimed Victim List, attached as Exhibit C to the Fourth Distribution Motion, have properly been stricken from the list of Victims eligible for the Fourth Restitution Fund Distribution, and the amounts of their unclaimed Third Distribution checks (\$443,333.38) shall be added to the monies available for the Fourth Restitution Fund Distribution to the remaining Eligible Victims, in accordance with the terms of the Third Distribution Order;

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<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Claims Procedure Orders and the Fourth Distribution Motion.

3. The “**Fourth Distribution Eligible Victim List**,” attached as Exhibit E to the Fourth Distribution Motion and incorporated herein by reference, and the actions of the Claims Processing Agent in compiling the Fourth Distribution Eligible Victim List, are ratified, and the determinations of Total Restitution Amount (“**TRA**”) and the Fourth Distribution Amount for each approved Eligible Victim constitute final and binding determinations of TRA and Fourth Distribution Amount for each Eligible Victim, and each of them individually are hereby barred from asserting any claim in excess thereof against the Restitution Fund, the Special Master or Claims Processing Agent (either personally or in their representative capacities), or their employees, agents, attorneys and accountants;

4. All claims of individuals and/or entities not specifically listed as Eligible Victims on the Fourth Distribution Eligible Victim List, as well as all individuals and/or entities listed on the Unclaimed Victim List, attached as Exhibit C to the Fourth Distribution Motion and incorporated herein by reference, are hereby forever barred and may not be asserted against the Restitution Fund, the Special Master or Claims Processing Agent (either personally or in their representative capacities), or their employees, agents, attorneys and accountants;

5. The amount of **\$570,000.00** be transferred from the Restitution Fund to Fifth Third Bank for deposit into the Distribution Account to fund a final distribution to the Fourth Distribution Eligible Victims;

6. The amount of **\$550,000.00** be distributed out of the Distribution Account to the Fourth Distribution Eligible Victims in accordance with the Fourth Distribution Amounts set forth on the Fourth Distribution Eligible Victim List (Exhibit E to the Fourth Distribution Motion);

7. The amount of US **\$20,000.00** shall be maintained in the Distribution Account to pay bank fees and costs of Positive Pay;

8. The Special Master is authorized and directed to hold back the remaining funds in the Restitution Fund as a Contingency Reserve for the payment of accrued but unpaid expenses as of March 31, 2024, as well as future expenses to operate the estate, including the payment of taxes and future

professional fees and costs, and to cover future, unknown contingencies, as detailed in the Fourth Distribution Motion;

9. (i) The Claims Processing Agent shall distribute the Fourth Distribution Amounts to the Fourth Distribution Eligible Victims as provided on the Fourth Distribution Eligible Victim List within ninety (90) calendar days after entry of this Order Approving Fourth Restitution Fund Distribution, and, further, (ii) the distribution shall be made to the Fourth Distribution Eligible Victims at each Victim's last known address contained in the records of the Claims Processing Agent and that the checks be mailed via United States First Class Mail; (iii) the burden is on the Fourth Distribution Eligible Victims to notify the Claims Processing Agent of a Third Distribution Eligible Victim's current address and other contact information, and of insuring that a Third Distribution Eligible Victim's name and/or proper contact information are contained in the Claims Processing Agent's records; (iv) the Claims Processing Agent is under no duty or obligation to attempt to determine current address and other contact information for any Third Distribution Eligible Victim; and (v) the Claims Processing Agent shall implement the security procedures of Positive Pay to ensure the proper negotiation of each Fourth Restitution Fund Distribution check;

10. The Fourth Restitution Fund Distribution checks which are returned or which have not been cashed within sixty (60) calendar days from the date of mailing of such checks will be void, the right to receive such payments will terminate, subject only to the sole discretion of the Special Master or the Court, and the amounts otherwise distributable to such Fourth Distribution Eligible Victims shall be returned to the Restitution Fund and disposed of according to the Court's further instructions; further, the Claims Processing Agent will, in the mailing of the Fourth Restitution Fund Distribution checks, warn Fourth Distribution Eligible Victims of this potential loss of rights and the need to promptly cash their checks by including a copy of the Fourth Distribution Letter, substantially in the form attached as Exhibit F to the Fourth Distribution Motion and incorporated herein by reference; such Victims shall be removed from the list of Fourth Distribution Eligible Victims, and the Claims Processing Agent shall

have no further duty to locate these Victims or notify these Victims of future hearings, motions, orders or developments in this case; and the Claims Processing Agent shall provide to the Court, by separate filing under seal, a list of such Victims, with all available contact information, in text searchable form;

11. Because of the joint ownership of claims and in conjunction with the mailing of the Fourth Restitution Fund Distribution checks, the Claims Processing Agent shall mail via United States First Class Mail a copy of the Letter to Fourth Distribution Eligible Victims to each Co-Victim reflected in the Claims Processing Agent's records advising them of the named payee and the address to which the check was mailed, provided however, that failure of the Claims Processing Agent to mail the Letter to Co-Victim Claimants or failure of the Victims or Co-Victims to receive such letters, shall not give rise to any claim against the Claims Processing Agent, the Special Master or their employees, attorneys, accountants or agents, as the copy of this letter is meant to provide a courtesy notice and does not convey substantive rights to Victims or Co-Victims;

12. In order to effectuate the distribution of the Fourth Distribution Amount and all subsequent distributions, if any, the Court releases and discharges the United States of America, its agents, servants and employees, the Special Master and the Claims Processing Agent (both in their personal and representative capacities) and their respective attorneys, accountants, employees, officers, directors and agents and all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing and distribution of checks and determination of claims filed pursuant to the Claims Procedure or otherwise involved in the administration of the estate, from any act or omission arising out of such involvement in all prior, current and future distributions, if any;

13. The Kelly Restitution Fund shall indemnify, defend and hold harmless the United States of America, its agents, servants and employees, the Special Master and the Claims Processing Agent (both in their personal and representative capacities) and their respective attorneys, accountants, employees, officers, directors and agents and all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing and distribution of checks and

determination of claims filed pursuant to the Claims Procedure or otherwise involved in the administration of the estate (the “**Indemnified Parties**”), from and against all actions pending or threatened, whether at law or in equity, in any forum, from liabilities, damages, losses, costs and expenses, including, but not limited to, reasonable attorneys’ and other professionals’ fees and costs, arising from conduct or omission of the Indemnified Parties in connection with this case;

14. The Fourth Distribution Motion and this Order, including all exhibits, shall be available to the public at the Clerk of the Court for the United States District Court for the Northern District of Illinois (Eastern Division) for inspection and copying at such Court Clerk’s offices during normal business hours by any interested party who wishes to examine the same; provided that the Court Clerk shall provide a copy of the Fourth Distribution Motion and this Order to any person requesting the same at such person’s cost, subject to such Court Clerk’s normal practices, procedures and requirements concerning same; and the Claims Processing Agent is further directed to post a copy of the Fourth Distribution Motion and this Order, with all exhibits attached, on the Claims Processing Agent’s website at <http://www.stengerlaw.com/practice-areas/receivership/open-receiverships/michael-e-kelly/>;

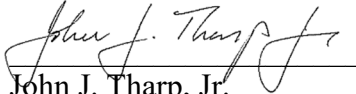
15. The Special Master shall remain in his position until the end of 2025 or such earlier time when, in his judgment, the remaining contingencies have been resolved, which such role of the Special Master after the Fourth Restitution Fund Distribution shall be limited to resolving such contingencies; and the Special Master shall not pursue the recovery of further assets for addition to the Restitution Fund.

16. After the time for cashing checks from the Fourth Restitution Fund Distribution has elapsed, any individual who believes that he or she is entitled to funds from the remaining Restitution Funds shall file a written motion outlining their request for restitution and the basis therefore [by no later than February 14, 2025. The motion must be filed in this case (06-CR-964). The motion will be

responded to by the Special Master (in consultation with the United States Attorney's Office) within 21 days of filing or as otherwise directed by the Court; and

17. Immediately before the termination of the Special Master's appointment, all remaining funds in the Restitution Fund shall be deposited in the Court's Registry Fund, to be transferred to Unclaimed Funds in accordance with applicable guidelines. After the funds are held in deposit in the Court's Registry Fund for 12 months, the remaining funds, plus any accrued interest, minus any fees, will be transferred to Unclaimed Funds.

Entered: June 17, 2024

  
John J. Tharp, Jr.  
United States District Judge