

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re: : Chapter 11  
MBMK Property Holdings, LLC, : Bankruptcy No. 22-13121-MDC  
Debtor. :  

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MBMK Property Holdings, LLC, :  
 :  
Plaintiff, :  
v. : Adversary No. 23-00062-MDC  
Wilmington Trust, National Association, as Trustee :  
for the Benefit of the Holders of CoreVest :  
American Finance 2018-2 Trust Mortgage Pass- :  
Through Certificates; Bay Management Group of :  
Philadelphia, LLC; James Paul, d/b/a James Paul of :  
ALPS Group; and ALPS Group, Inc. d/b/a James :  
Paul The ALPS Group, :  
Defendants. :

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**ORDER**

**AND NOW**, upon consideration of the Wilmington Trust Motion to Dismiss<sup>1</sup> and the James Paul Motion to Dismiss.

It is hereby **ORDERED** and **DECREED** that:

1. The Motions to Dismiss are each **GRANTED IN PART** and **DENIED IN PART**, as provided herein.
2. The Wilmington Trust Motion to Dismiss is:

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<sup>1</sup> Capitalized terms used herein but not defined shall have the meaning given to them in accompanying Memorandum.

a. **GRANTED** with respect to dismissal with prejudice of (i) Counts II and IV of the Complaint against Wilmington Trust, pursuant to Rule 12(b)(6) for failure to state a claim, and (ii) Count I of the Complaint against Wilmington Trust, pursuant to Rule 12(b)(6) for failure to state a claim, to the extent it seeks an accounting for the period after the Receiver was appointed on March 10, 2022, with respect to the Philadelphia Properties, and March 18, 2022, with respect to the Delaware County Properties.

b. **DENIED** with respect to dismissal of (i) Count I of the Complaint against Wilmington Trust for an accounting for the portion of the Custodial Period between the date the second Management Rights Agreement was entered into on September 3, 2019, and the dates the Receiver was appointed, on March 10, 2022, with respect to the Philadelphia Properties, and March 18, 2022, with respect to the Delaware County Properties, and (ii) Count V of the Complaint against Wilmington Trust for equitable subordination of the Wilmington Trust Claim.

3. The James Paul Motion to Dismiss is:

a. **GRANTED** with respect to dismissal without prejudice of Count III of the Complaint against the Receiver, pursuant to Rule 12(b)(1) for lack of subject matter jurisdiction.

b. **DENIED** with respect to dismissal of (i) Count I of the Complaint against the Receiver for an accounting for the period from the Receiver's appointment, on March 10, 2022 with respect to the Philadelphia Properties, and March 18, 2022 with respect to the Delaware County Properties, until the Receiver turned the Properties over to the Debtor pursuant to the Turnover Order, and (ii) Count IV of the Complaint against the Receiver.

Dated: June 25, 2024



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MAGDELINE D. COLEMAN  
U.S. BANKRUPTCY JUDGE