

In 2010, everyone can convert to a Roth IRA.*

Should you? How much?

Get help deciding



Turn here™



*Eligible non-Roth retirement assets

Fidelity Brokerage Services LLC, Member NYSE, SIPC. © 2009 FMR LLC. All rights reserved. 533008.1.0

8:00 pm, October 11, 2009

Pontchartrain for sale, but it's unclear who would get the money

By [Daniel Duggan](#)

While the former Pontchartrain Hotel in Detroit is still for sale, the entity to receive the proceeds of the sale remains a mystery, said the attorney acting as receiver.

An insolvent bank, potential fraud and possible government intervention leave the status of the property's loan in limbo. Meanwhile, Royal Oak attorney David Findling is trying to sell the 25-story property.

"I am in the middle and I'm literally paying for the security of the building out of my own pocket," said Findling, general partner in the Royal Oak law firm **Findling Law Firm P.L.C.**

The property was foreclosed on in August after Boca Raton-based **Shubh Hotels L.L.C.** defaulted on its mortgage. Holding the first position, originally, was Harvey, Ill.-based **Mutual Bank** with a \$29.5 million loan, said Findling. However, Mutual Bank has become insolvent, and its assets are being taken by **United Bank** of Garland, Texas.

In the audit of the loan, Findling said, United Bank indicated there may be fraud involved in the loan's origination.

Findling said he had not seen the audit but heard there was a problem that the bank issued a loan greater than the appraised value. He also said he heard steel was purchased by Shubh for another project with the hotel as collateral — and the steel could not be located.

If there is fraud, the **FDIC** would take over the loan. If not, United Bank keeps it.

Findling cannot get an advance from either party for basic maintenance and security.

"It would make sense that the bank doesn't want to front the money, because they might not see the proceeds," he said. "And it makes sense that the FDIC doesn't want to front the money because it might not get the property."

Findling said he is negotiating with several interested parties and is still soliciting bids. He no longer plans to sell off the fixtures, furniture and equipment in the building.

Advertisement



"I'd hate to sell the (furniture and fixtures) and then not be able to find a buyer," he said. "The last thing we need downtown is yet another vacant building."

Daniel Duggan: (313) 446-0414, dduggan@crain.com

© 2010 [Crain Communications Inc.](#)