IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

PRIMESTONE RESIDENTIAL, LLC, a Delaware limited liability company; MC OPPORTUNITIES FUND LP; and MICHAEL W. RESCHKE, *Plaintiffs*, *v.* DAVID M. TRANDEL; SST OLD GREEN BAY ROAD, LLC; PRAESUMO HOLDINGS, LLC; LOWELL KRAFF; FIDELITY TITLE, INC.; and STONELEIGH DEVELOPMENT COMPANY, LLC, *Defendants*.	Case Number: 2026 CH 01382 Calendar 15 Honorable William B. Sullivan, Judge Presiding

MEMORANDUM OPINION AND ORDER

WILLIAM B. SULLIVAN, Circuit Judge:

This matter comes before the Court on Defendants[1] David M. Trandel ("Trandel") and SST Old Green Bay Road, LLC's ("SST") (collectively "Defendants") Emergency Motion to Cancel Lis Pendens ("Motion")[2].

Defendants' Motion was filed on July 8, 2026. Plaintiffs Primestone Residential, LLC ("Primestone"), MC Opportunities Fund LP ("MC"), and Michael W. Reschke ("Reschke") (collectively "Plaintiffs") filed their Response on July 10,

[1] The other Defendants—Praesumo Holdings, LLC; Lowell Kraff; Fidelity Title, Inc.; and Stoneleigh Development Company, LLC—are not relevant to the Motion, by its own words, *sub judice*. (Mot. ¶ 6.)

[2] The Emergency Motion was filed on July 8, 2026; however, this Court found that the Motion *was not* an emergency. The Motion was accordingly noticed in the ordinary course for hearing on July 15, 2026.

2026. The Court has reviewed both Defendants' and Plaintiffs' respective Motion, Response, exhibits, and the Verified Second Amended Complaint ("SAC") and has heard arguments from counsels on July 15, 2026.[3] For the reasons set forth below, the Motion is GRANTED and the request for attorneys' fees is DENIED.

I. BACKGROUND

The background here is extensive, and the facts ultimately pled are the basis upon which this Motion turns.

A. The Venture and the MP Parcel

The background of this dispute is set out at length in the Court's June 24, 2026, Order denying Plaintiff's Verified Emergency Motion for Temporary Restraining Order without prejudice ("TRO Order"). It is summarized here only as needed.

Primestone is a Delaware limited liability company formed in 2022 by Reschke, MC (controlled by Theodore L. Koenig ("Koenig")), and Trandel (through his wholly owned entity, Stonestreet Partners, LLC) to acquire, entitle, and resell vacant land at a profit. (SAC ¶¶ 1-2, 22-25, 40-42.) Reschke and MC supplied capital—more than $2.2 million (on the SAC's allegations)—while Trandel served as the day-to-day manager. (SAC ¶¶ 3, 13, 43-46.)

The property at issue is a 34-acre parcel at 3901 Old Green Bay Road, Mount Pleasant, Racine County, Wisconsin (the "MP Parcel"). (SAC ¶ 3.) The SAC alleges

[3] On July 16, 2026, the Court convened a settlement conference at the parties' request. The conference did not resolve the matter, and the Motion stands for decision. The Court has not taken the information disclosed during the settlement conference into consideration when ruling on this Motion and has solely relied upon the materials and arguments delineated above.

that Primestone funded $209,500 in non-refundable earnest money deposits and roughly $120,000 in pre-development expenses toward a $925,000 purchase; that Trandel repeatedly represented the project as Primestone's; and that in September 2025—after Reschke and Koenig refused Trandel's request for a $175,000 personal loan—Trandel stopped communicating and, on December 29, 2025, caused SST—an Illinois limited liability company Trandel formed in May 2025 and of which he is the sole member—to close on the purchase of the MP Parcel using funds supplied by Defendant Lowell Kraff ("Kraff") through Defendant Praesumo Holdings, LLC ("Praesumo"). (SAC ¶¶ 4, 9-10, 26, 53, 69, 73.)[4] SST has been the sole record owner of the MP Parcel since that closing. Trandel personally holds no interest of record in the MP Parcel. What he holds is the membership of SST.

B. The Encumbrances, the Lennar Contract, and the Lis Pendens

Three recorded instruments frame the Motion. First, a mortgage from SST to Praesumo in the stated principal amount of $1,540,000 was recorded in Racine County on January 6, 2026, as Document Number 2718316 (the "Praesumo Mortgage"). (SAC ¶ 76 and Ex. M.) Second, a junior mortgage from SST to Defendant Stoneleigh Development Company, LLC ("Stoneleigh")[5] in the amount of $540,000 was recorded on February 23, 2026, as Document Number 2721440 (the "Stoneleigh Mortgage"). (SAC ¶¶ 21, 116-118 and Ex. O.)[6] Third, Plaintiffs' Notice of

[4] The SAC also alleges that attorney Ed Gausselin acted as Primestone's counsel in connection with the MP Parcel and SST's formation and owed Primestone fiduciary duties. (SAC ¶¶ 70, 72.) No claim is pled against Ed Gausselin, and he is not a party. The Court notes the point only to describe the record completely; it plays no part in the disposition of this Motion.

[5] At the entry of the TRO Order, Defendant Stoneleigh was yet to be named a party. As of the Motion's filing, it has since been named as a party and is now bound by the Court's ruling.

[6] The SAC alleges that the Stoneleigh Mortgage was recorded on February 24, 2026. (SAC ¶ 116.) The recording stamp on the instrument itself, attached to the SAC as Exhibit O, reflects

Lis Pendens identifying this action was recorded on February 24, 2026, at 12:32 p.m., as Document Number 2721543 (the "Lis Pendens"). (Mot. ¶ 1 and Ex. A.) Both mortgages were therefore of record before the Lis Pendens.

The MP Parcel is under contract dated May 12, 2025, for sale by SST to non-party Lennar Homes of Wisconsin, LLC ("Lennar") for $3,215,000. (SAC ¶¶ 5, 12, 53; Mot. ¶ 3.) The Motion represents that the closing has been extended because the Lis Pendens prevents SST from conveying marketable title, and that Lennar has indicated it will terminate the contract if the closing does not occur before July 31, 2026. (Mot. ¶ 3.) On the SAC's own allegations, the anticipated resale would generate an expected profit of approximately $2.1 million, which Plaintiffs allege "rightfully belongs to Reschke and MC pursuant to the terms of the Primestone operating agreement." (SAC ¶¶ 5, 14.)

C. The Operative Pleading

The operative pleading is the Verified Second Amended Complaint, filed June 30, 2026, and verified by Reschke and Koenig pursuant to 735 ILCS 5/1-109. It pleads six counts:

Count I - Breach of Fiduciary Duty

- Primestone, MC, and Reschke v. Trandel

Count II - Breach of Operating Agreement

- MC and Reschke v. Trandel

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recording on February 23, 2026, at 12:03 p.m. "[W]here a complaint's allegations and exhibits conflict, the exhibits control." *Gagnon v. Schickel*, 2012 IL App (1st) 120645, ¶ 21. The Court accordingly treats both mortgages as recorded before the Lis Pendens. Nothing turns on the one-day difference.

Count III - Equitable Remedy of Accounting

- Primestone, MC, and Reschke v. Trandel

Count IV - Declaratory Relief

- Primestone v. Praesumo

Count V - Injunctive Relief

- No responding defendant is identified; the prayer is directed at SST and at Fidelity Title, Inc. ("Fidelity")

Count VI - Declaratory Relief

- Primestone v. Stoneleigh

The SAC's "Summary of the Case" announces broader ambitions—*inter alia* "to Quiet Title in the MP Parcel to Primestone," to void the Praesumo Mortgage, and "to order the immediate assignment of SST's fee simple interest in the MP Parcel to Primestone." (SAC ¶ 20.) But a summary is not a count. No quiet title count follows, and, as developed below, no count of any kind is pled against SST (nor several of the other named defendants, namely, Kraff and Fidelity).

The pleading history matters. The prior operative pleading—the Verified Amended Complaint, on which the Court decided the TRO—contained three counts that named SST as a responding defendant: Count IV (Declaratory and Injunctive Relief—Primestone v. Trandel, SST, Praesumo, Kraff, and Fidelity), Count V (Unjust Enrichment, pled in the alternative—Primestone, MC, and Reschke v. Trandel and SST), and Count VII (violation of the Illinois Uniform Fraudulent Transfer Act, 740 ILCS 160/1; *et seq.*—Primestone, MC, and Reschke v. Trandel,

SST, Praesumo, and Kraff). The SAC is complete in itself and neither refers to nor adopts the prior pleading. Each of those counts has been dropped. "Where an amendment is complete in itself and does not refer to or adopt the prior pleading, the earlier pleading ceases to be a part of the record for most purposes, being in effect abandoned and withdrawn." *Foxcroft Townhome Owners Ass'n v. Hoffman Rosner Corp.*, 96 Ill. 2d 150, 153-54 (1983) (quoting *Bowman v. County of Lake*, 29 Ill. 2d 268, 272 (1963)). The Court draws no inference about Plaintiffs' motives; it simply takes the operative pleading as Plaintiffs have chosen to frame it.

D. Procedural History

Plaintiffs moved for a temporary restraining order on June 22, 2026, asking the Court to direct the removal of both mortgage liens upon withdrawal of the Lis Pendens and to order the net Lennar sale proceeds be placed into a court-controlled account. The Court denied that motion without prejudice by written opinion entered June 24, 2026, expressly reserving all questions concerning "the validity, enforceability, amount, or priority of the Praesumo Mortgage or the Stoneleigh Mortgage, or the merits of any claim or defense" (TRO Order ¶ at 14), and without prejudice to Plaintiffs' right "to seek appropriately preservative relief, on notice, and with all necessary parties joined" (TRO Order at 13-14). Plaintiffs filed the SAC on June 30, 2026. Defendants filed the present Motion on July 8, 2026; Plaintiffs responded on July 10, 2026; the Court heard argument on July 15, 2026, and conducted an unavailing settlement conference on July 16, 2026. No motion for

preliminary injunction, for an escrow or freeze of proceeds, or for other preservative relief has been filed since the TRO Order.

II. MATERIALS CONSIDERED

Wisconsin law fixes the lens through which a challenge to a lis pendens recorded on a property in Wisconsin is examined: "the propriety of a Lis Pendens must stand on the allegations in the pleadings," and "[t]he court must consider only whether the complaint states a cause of action to impose a trust and, for that purpose, the complaint's allegations are taken as true." *Ross v. Specialty Risk Consultants*, 2000 WI App 258, 240 Wis. 2d 23, 36-37, 621 N.W.2d 669, 677. "The merits of the litigation or whether the plaintiff will ultimately prevail are not relevant on a motion to discharge a lis pendens." *Id.* ¶ 20. Both sides rely on *Ross*; Plaintiffs attached it to their Response and quote this very passage. (Resp. at 2-3.)

The Court has accordingly confined its review to the pleadings and their exhibits, together with the recorded Lis Pendens itself. An exhibit attached to a complaint "becomes part of the pleading for every purpose." *Gagnon v. Schickel*, 2012 IL App (1st) 120645, ¶ 18; 735 ILCS 5/2-606. The Motion is not verified, and Plaintiffs correctly observe that its factual assertions are not evidence. (Resp. at 2.) Two paragraphs of the Motion warrant specific treatment. Paragraph 14 quotes September 2025 emails among Reschke, Koenig, and Trandel; the Court has not considered the Motion's characterization of those emails, but the same emails are quoted in, and attached to, the verified SAC itself (SAC ¶¶ 63-66 and Exs. I-K), and in that capacity—as part of Plaintiffs' own pleading—they are properly before the

Court. Paragraph 19 of the Motion (concerning 2024 partnership tax returns, an asserted $650,000 over-distribution, and a theory of anticipatory breach) has no counterpart in the pleadings and is supported by no affidavit; the Court has disregarded it entirely. The Court has likewise disregarded the Motion's unclean-hands and other merits-based arguments (Mot. ¶¶ 25-29), which *Ross* places out of bounds at this stage. *Ross*, 2000 WI App 258, ¶ 20.

III. GOVERNING LAW AND THE COURT'S AUTHORITY

This Motion presents a conflict of laws issue, so to be clear, the Court will describe the controlling authority.

A. Wisconsin Law Governs the Lis Pendens; Illinois Law Measures the Pleading

The analysis that follows determines which state's law—Illinois's or Wisconsin's—governs each of the respective issues at hand.

The MP Parcel lies in Wisconsin, and the Lis Pendens was recorded in Wisconsin under Wisconsin's statute. The validity and effect of that notice are questions of Wisconsin law. Wisconsin's courts have squarely held that Wis. Stat. § 840.10 reaches notices predicated on out-of-state litigation: a lis pendens may be recorded "in connection with an out-of-state suit seeking title or possession of property in Wisconsin by means of a constructive trust," *Ross*, 2000 WI App 258, ¶ 21[7], and a notice of a foreign divorce action, filed with the register of deeds of the

[7] The *Ross* court adopts the New Jersey case, *Polk v. Schwartz*, 166 N.J. Super. 292 (Super. Ct. App. Div. 1979), in its reasoning: "in a case parallel to ours, [*Polk*] reached similar results." *Ross*, 2000 WI App 258, ¶ 18. *Polk* continues, stating "[t]here is no doubt that an action to impress a constructive trust on realty affects title to that property, so that a notice of lis pendens may be filed under a statute such as ours. It has been held that the propriety of a lis pendens must stand on the allegations in the pleadings. [T]hat is, upon a motion to cancel or discharge a lis pendens, the court

county in which the foreign litigant owned Wisconsin property, is a valid lis pendens, *Belleville State Bank v. Steele*, 117 Wis. 2d 563, 576, 345 N.W.2d 405 (1984). Therefore, there is no dispute that using Wisconsin law governs the *land itself*, but what controls the parties is a different analysis.

Two bodies of law meet here. The validity and effect of the Lis Pendens are governed by Wisconsin law, as just described. Wis. Stat. § 840.10; *Ross*, 2000 WI App 258, ¶ 21; *Belleville State Bank*, 117 Wis. 2d at 576. The antecedent question that § 840.10 and *Ross* make dispositive, however—whether the complaint "states a cause of action to impose a trust," *Ross* 2000 WI App 258, ¶ 20—is the sufficiency of an Illinois pleading filed in an Illinois court, and is therefore measured by Illinois law, both as to the pleading standard and as to the elements of the constructive trust the pleading must allege. *Ross* itself framed that inquiry through Wisconsin's definition of a constructive trust. *See id.* ¶¶ 13, 15. Whether Illinois or Wisconsin law supplies those elements may present a choice-of-law question, but the Court need not resolve it: as shown below, the two States define the remedy in materially identical terms, and the result is the same under either. The Court accordingly applies Illinois law to the sufficiency of this Illinois complaint.

Neither side disputes that Wisconsin law controls the validity of the Lis Pendens; both briefed it under § 840.10 and *Ross*.

Under the familiar lens of Section 2-615, well-pled facts are taken as true, together with all reasonable inferences, but conclusions of law and conclusory

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may not consider anything other than whether the complaint sufficiently states a cause of action to impress a trust." *Polk*, 166 N.J. Super. at 298-99 (internal citations omitted).

allegations unsupported by specific facts are not admitted. *Marshall v. Burger King Corp.*, 222 Ill. 2d 422, 429 (2006); 735 ILCS 5/2-615. Pleadings are liberally construed with a view to doing substantial justice between the parties, 735 ILCS 5/2-603(c), and "the character of the pleading should be determined from its content, not its label," *In re Haley D.*, 2011 IL 110886, ¶ 67—a principle the Court applies evenhandedly, in both directions, below.

B. The Motion's Reliance on 735 ILCS 5/2-1901 Is Misplaced, but Not Fatal

The Motion asserts that "[u]pon a showing of good cause, 735 ILCS 5/2-1901 gives this Court the authority to cancel the Wisconsin Lis Pendens." (Mot. ¶ 31.) That is not what Section 2-1901 does. By its terms, Section 2-1901 addresses the constructive notice that arises from the filing of a notice "in the office of the recorder in the county where the real estate is located," and it extends that mechanism to actions "pending in any United States district court," whose notices may be "recorded and indexed in the same manner and in the same place" as notices of actions pending in the courts of this State. 735 ILCS 5/2-1901. Its "good cause" clause does not confer a power of cancellation at all; it permits the court, in an action that is itself constructive notice, to "authorize the making of a deed, mortgage, lease or other conveyance of any or all of the real estate affected or involved," upon terms including a bond, so that the grantee takes free of the litigation's effect. *Id.* Section 2-1901 is an Illinois recording statute; it neither governs a notice recorded with the Racine County, Wisconsin Register of Deeds nor supplies this Court with authority over Wisconsin's land records.

The mislabeling, however, does not defeat the Motion, for the same reason a mislabeled count would not be saved by its caption: substance controls. *Haley D.*, 2011 IL 110886, ¶ 67. In substance, the Motion asks the Court to exercise its *in personam* authority over the parties who recorded the notice. Wisconsin law itself recognizes that authority: "[a] court outside this state having personal jurisdiction of a party may order that party to execute a conveyance of real property located in Wisconsin." *Ross*, 2000 WI App 258, ¶ 21 (quoting *Belleville State Bank*, 117 Wis. 2d at 577); accord *Fall v. Eastin*, 215 U.S. 1, 8-14 (1909); TRO Order at 7-8 (discussing the same principle). This Court has no *in rem* jurisdiction over the MP Parcel, and nothing in this Opinion purports to operate directly on Racine County's records. The Court acts on the litigants before it—Plaintiffs—who recorded the Lis Pendens and who *can* be ordered to discharge it.

Nor is there any procedural obstacle in the form of the Motion. *Ross* instructs that where a complaint does not clearly fail on its face, the preferred vehicle is a motion to dismiss or for summary judgment that includes a request to discharge the notice; but where "the complaint clearly recites a cause of action which, under the statute, does not permit the filing of a notice of lis pendens (e.g., an action to recover judgment for money or damages only)," a direct motion to discharge is appropriate. *Ross*, 2000 WI App 258, ¶ 20 n.8. For the reasons stated below, this pleading falls on the latter side of that line. In any event, Plaintiffs raised no objection to the vehicle—their Response engages the Motion on the merits under *Ross*—and the

Court's review applies precisely the pleadings-only standard that Wisconsin law prescribes, so the form of the Motion has prejudiced no one. *Id.* ¶ 20.

IV. LEGAL STANDARD

Wisconsin's lis pendens statute provides in pertinent part:

> In an action where relief is demanded affecting described real property which relief might confirm or change interests in the real property, after the filing of the complaint the plaintiff shall present for filing or recording in the office of the register of deeds of each county where any part thereof is situated, a lis pendens containing the names of the parties, the object of the action and a description of the land in that county affected thereby. (***) From the time of filing or recording every purchaser or encumbrancer whose conveyance or encumbrance is not recorded or filed shall be deemed a subsequent purchaser or encumbrancer and shall be bound by the proceedings in the action to the same extent and in the same manner as if the purchaser or encumbrancer were a party thereto.

Wis. Stat. § 840.10(1)(a).

The test, accordingly, is whether the relief demanded "might confirm or change interests in the real property." *Interlaken Service Corp. v. Interlaken Condominium Ass'n*, 222 Wis. 2d 299, 307, 588 N.W.2d 262 (Ct. App. 1998). The statute's purposes are to protect the courts' and litigants' interests in the finality of judgments and to give prospective purchasers and encumbrancers notice of pending actions so that they may avoid "buying a lawsuit." *Belleville State Bank*, 117 Wis. 2d at 566-67.

A lis pendens is notice. It is *not* a lien. It alerts third parties to judicial proceedings involving the real estate, and it creates no encumbrance of its own. *See Kensington Development Corp. v. Israel*, 142 Wis. 2d 894, 904 (1988). Its office is exhausted on those who would take an interest after its recording; "[a]s to parties to

the action (***) who appear and participate in the proceedings, the *lis pendens* serves no real purpose and actually has no application." *Hailey v. Zacharias*, 39 Wis. 2d 536, 538 (1968).

An action seeking to impose a constructive trust on Wisconsin real estate *can*—if properly pled—support a lis pendens' recordation. "[A] claim for the imposition of a constructive trust on real estate is an action seeking relief that 'might confirm or change interests *in the real property*,' as that term is used in Wis. Stat. § 840.10." *Ross*, 2000 WI App 258, ¶ 17 (emphasis added). A constructive trust "arises whenever another's property has been wrongfully appropriated and converted into a different form," *Id.* ¶ 13; legal title "must have been obtained by means of fraud, commission of wrong or by any form of unconscionable conduct and must be held by someone who in equity should not be entitled to it," *Id.* ¶ 15. Importantly, "[i]t is not necessary that the person against whom the constructive trust is to be imposed be the wrongdoer or know of wrongdoing initially. If other elements for imposing a constructive trust have been satisfied and the holder of legal title is not a bona fide purchaser, a constructive trust may be imposed." *Id.* ¶ 15. The Court underscores that passage because it forecloses any suggestion that SST's own innocence, standing alone, would defeat a properly pled trust claim directed at the MP Parcel.

Illinois defines the remedy in materially identical terms: "a constructive trust is an equitable remedy imposed against one who, by some form of wrongdoing such as actual or constructive fraud, breach of a fiduciary duty, duress, coercion, or

mistake, has been unjustly enriched." *Kaiser v. Fleming*, 315 Ill. App. 3d 921, 926 (2d Dist. 2000) (quoting *Schultz v. Schultz*, 297 Ill. App. 3d 102, 106-07 (1998)); *see Cianciolo v. Cianciolo*, 2000 WI App 161, 238 Wis. 2d 93, 617 N.W.2d 676 (same, under Wisconsin law). Under either State's formulation the pleading must allege wrongdoing of the enumerated kinds producing unjust enrichment. Nothing in this case turns on the difference.

But the same court that recognized these principles bounded them. "[T]he application of lis pendens must be strictly limited to actions directly seeking to obtain title to or possession of specific real property," and the recognition that constructive-trust suits may support a notice "must not be interpreted by creditors as a green light to tie up real property by filing baseless or questionable fraudulent transfer complaints, recording notices of lis pendens, and waging prolonged battles over expungement." *Ross*, 2000 WI App 258, ¶ 22. And the decisive distinction in *Ross* itself was that the facts there "distinguish[ed] the Illinois suit from one seeking a constructive trust remedy solely as 'collateral' for money damages." *Id.* ¶ 23. A trust demand deployed as security for what is at bottom a money claim will not sustain a lis pendens; a properly pled claim to restore specific real property to its true owner will.

V. ANALYSIS

The Court now turns to analyze the appropriateness of the Lis Pendens under Wis. Stat. § 840.10(1)(a) as tied to the SAC. For the reasons that follow, the Court finds that it is not.

A. No Count of the SAC States a Cause of Action Against SST, the Only Party Holding an Interest the Lis Pendens Could Affect

Begin with who owns what. SST holds title to the MP Parcel. Trandel holds the membership of SST. Under the Limited Liability Company Act, "[a] member is not a co-owner of, and has no transferable interest in, property of a limited liability company," and a member's distributional interest "is personal property." 805 ILCS 180/30-1(a), (b). A judgment operating on Trandel—or on his membership interest—therefore operates on personalty; it does not, of its own force, touch title to the MP Parcel.

Now examine the counts. Counts I, II, and III are pled, by their own captions and allegations, against Trandel alone. Their substantive theories—breach of fiduciary duty, breach of the Operating Agreement, and the equitable accounting that follows from those alleged breaches—are directed at Trandel's conduct. It is true that their prayers reach further: Count I asks the Court to impose a constructive trust on property "wrongfully acquired and/or received by Trandel" and to order Trandel to transfer the MP Parcel to Primestone "free and clear of the Kraff mortgage"; Count III's prayer asks the Court to declare "Trandel and SST" in possession of wrongfully acquired property, to impose a constructive trust on property "wrongfully acquired by Trandel and/or SST," and to "order Trandel to transfer title to the MP Parcel to Primestone." But Trandel does not hold title and cannot convey what SST owns, and SST is not a party against whom any of these counts are brought. A prayer is not a claim. The office of a prayer for relief is to specify the remedy sought on a cause of action stated elsewhere in the count; it

cannot conjure a cause of action against a party the count does not charge. A constructive trust, in particular, is an equitable remedy—imposed where actual or constructive fraud, or the breach of a fiduciary duty, is properly alleged against the party to be charged—not a freestanding claim, and it may not be imposed absent specific, well-pled allegations of wrongdoing supporting it. *Suttles v. Vogel*, 126 Ill. 2d 186, 193-94 (1988).

Count V, captioned "Injunctive Relief," is the pleading's only vehicle aimed squarely at SST's title: it prays that the Court "[d]irect SST to transfer legal title to the MP Parcel to Primestone free and clear of all liens including the Praesumo Mortgage." Judged by content rather than caption, *Haley D.*, 2011 IL 110886, ¶ 67, Count V pleads two conclusions and a demand. The conclusions are that "SST holds legal title to the MP Parcel solely as a result of Trandel's fraud and breach of his fiduciary duties to Plaintiffs" (SAC ¶ 112) and that Primestone "has been the equitable owner of the MP Parcel at all times relevant" (SAC ¶ 113). The demand is for a mandatory injunction. An injunction, however, is a mode of relief in aid of a right established under some recognized cause of action—it issues only to protect a clearly ascertained right in need of protection, *Mohanty v. St. John Heart Clinic, S.C.*, 225 Ill. 2d 52, 62 (2006)—and a declaratory judgment is likewise "a mode of relief," *Beahringer v. Page*, 204 Ill. 2d 363, 373 (2003), that depends on an underlying legal entitlement, *Gagnon*, 2012 IL App (1st) 120645, ¶¶ 23-24. Injunctive relief, on its own, is not a cause of action. *People ex rel. Madigan v. J.T. Einoder, Inc.*, 2013 IL App (1st) 113498, ¶ 66 ("An injunction is only a remedy for an

underlying cause of action and is not a cause of action in itself."), *rev'd on other grounds*, 2015 IL 117193, ¶ 44. Count V articulates no element of any recognized theory against SST—not unjust enrichment, not a constructive trust predicated on Trandel's alleged wrong and SST's status as a non-bona-fide holder, not veil-piercing or alter ego, not a statutory fraudulent-transfer claim. Its operative assertions are precisely the sort of conclusions that Illinois pleading law does not admit as true. *Marshall*, 222 Ill. 2d at 429.

The Court has considered carefully whether, construing the SAC liberally, 735 ILCS 5/2-603(c), and honoring substance over label in Plaintiffs' favor this time, Count V might be read as an attempt to plead the equitable-ownership claim that *Ross*, 2000 WI App 258, ¶ 15, would permit against a titleholder that is no bona fide purchaser. Two independent obstacles foreclose that reading.

First, *Foxcroft*. Plaintiffs know how to plead claims against SST; the Verified Amended Complaint contained three counts naming SST, including unjust enrichment and statutory fraudulent-transfer claims—theories tailored to reach property parked in a transferee's hands. The SAC abandoned every one of them. *Foxcroft*, 96 Ill. 2d at 153-54. It would invert the *Foxcroft* rule to read back into the operative pleading, under the banner of liberal construction, the very claims the second amendment discarded. The observation carries a further irony: the abandoned fraudulent-transfer counts are the paradigm to which *Ross*'s caution is addressed—"baseless or questionable fraudulent transfer complaints" recorded into a lis pendens. *Ross*, 2000 WI App 258, ¶ 22. Plaintiffs elected to proceed without

any such claim. The Lis Pendens cannot rest on counts that no longer exist. Perhaps the Lis Pendens was proper when originally recorded in connection with prior versions of the complaint, but the Court will avoid that analysis as it is irrelevant as of today. The only relevant pleading is the SAC—the currently operative complaint.

Second, the SAC's own exhibits. The September 2025 emails that the SAC quotes and attaches establish the structure the members themselves agreed upon: Koenig wrote that his "preference is for a new SPV [Special Purpose Vehicle] to take title if [he, along with Reschke and Trandel] are going to fund new money to purchase this property" (SAC ¶ 63); Trandel confirmed that he had "a new, clean SPE [Special Purpose Entity] formed" (SAC ¶ 63); Reschke's recorded objection was not that SST would hold title but that Trandel—rather than Primestone—"[was] listed as the sole member of SST Old Green Bay Road, LLC. I thought this SPE was wholly owned by Primestone Residential, LLC?" (SAC ¶ 64); and Trandel's response was to direct counsel to "simply make Primestone the member" (SAC ¶ 64). The SAC itself alleges the parties' resulting understanding: "a wholly-owned subsidiary of Primestone (the new SST formed in Spring of 2025) would be the purchaser of the MP Parcel." (SAC ¶ 66.) Plaintiffs' pre-suit demand letter of January 14, 2026—pled at SAC ¶ 85 and attached as Exhibit N—sought exactly that relief: that Trandel "assign 100% of the SST membership interests to the Company, free and clear of

any liens or encumbrances," account for the purchase and its financing, and segregate "excess refinancing proceeds."[8]

On the pleading's own terms, then, title to the MP Parcel was always to reside in a special-purpose entity—SST—and what Primestone claims to have been promised, and wrongfully denied, is *the ownership of SST* and the economics that flow from it. A membership interest is personal property, 805 ILCS 180/30-1(b), and its holder has no interest in the company's land, 805 ILCS 180/30-1(a). Where a pleading's conclusions ("equitable owner of the MP Parcel at all times relevant") collide with its own exhibits, the exhibits control. *Gagnon*, 2012 IL App (1st) 120645, ¶¶ 18, 21. Complete relief on the claims actually pled—a constructive trust over, or compelled assignment of, Trandel's membership in SST; disgorgement; an accounting; damages—would move *personalty and money*. None of it would "confirm or change interests in the real property." Wis. Stat. § 840.10(1)(a). Even if this Court were to grant the relief requested—and it does not do so at this time—what would occur is that Primestone would become the member of SST, but SST would still be the owner of the MP Parcel. That does not confirm or change interests in the real property.

B. Counts IV and VI—the Mortgage Counts—Do Not Authorize the Lis Pendens

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[8] Paragraph 49 of the SAC alleges that, earlier in the venture, Trandel "committed to assign this contract to acquire the MP Parcel to Primestone." A contract right is itself personalty, *see Shay v. Penrose*, 25 Ill. 2d 447, 449 (1962), and the SAC's own later-in-time and more specific allegations (SAC ¶¶ 63-66 and Exs. I-K) describe the structure the parties actually adopted in September 2025—a special-purpose entity, SST, as purchaser and titleholder—which is likewise the structure Plaintiffs' January 14, 2026, demand letter sought to enforce through an assignment of SST's membership. (SAC ¶ 85 and Ex. N.) No count of the SAC seeks to enforce the alleged contract-assignment commitment as such.

Counts IV and VI seek declarations that the Praesumo Mortgage and the Stoneleigh Mortgage, respectively, are void. Both are pled against the mortgagees alone, and both are derivative of the ownership theory the SAC nowhere states. Count IV's premise is that Praesumo was "not a good faith mortgagee" because it failed in an asserted "duty to fully investigate the interest of Primestone in the MP Parcel" (SAC ¶ 109)—an "interest" pled only as a conclusion. Count VI is explicit about its dependence: "The MP Parcel was obtained by the Mortgagor (SST) through fraud and, therefore, the Second Mortgage [the Stoneleigh Mortgage] is void and unenforceable." (SAC ¶ 119.) A declaratory count stands or falls with the underlying entitlement it presupposes. *Gagnon*, 2012 IL App (1st) 120645, ¶¶ 23-24; *Beahringer*, 204 Ill. 2d at 373. Because no count states a claim establishing Primestone's asserted interest in the MP Parcel, these derivative counts cannot supply what the primary theory lacks.

They also could not be aided by the Lis Pendens even if well-pled. The statutory notice binds only those whose conveyance or encumbrance was "not recorded or filed" when the notice went of record—subsequent purchasers and encumbrancers. Wis. Stat. § 840.10(1)(a). Both mortgages predate the Lis Pendens: the Praesumo Mortgage was recorded January 6, 2026, the Stoneleigh Mortgage on February 23, 2026, and the Lis Pendens on February 24, 2026. As to those prior-recorded interests the notice does no work at all, and Plaintiffs claim no interest of their own in either mortgage—they seek the mortgages' destruction, relief that would enure to the benefit of whoever owns the fee. To be clear, and

consistent with the TRO Order's express reservation, nothing in this Opinion adjudicates the validity, enforceability, amount, or priority of either mortgage; Counts IV and VI remain pending. (TRO Order at 14.) The point is narrower: those counts demand nothing that the Lis Pendens can secure.

C. What Remains Is, at Its Heart, a Money Case—the Use of a Lis Pendens That Wisconsin Law Forbids

Stripped of prayers unmoored from any stated claim, the SAC seeks the recovery and protection of money and of an entity interest: the return of more than $2.2 million in capital, disgorgement of some $1.5 million in management fees, damages "in excess of $2,000,000" (SAC ¶¶ 8, 13, 91, 96, 102), the approximately $2.1 million profit expected from the Lennar sale—profit the SAC alleges "rightfully belongs to Reschke and MC" (SAC ¶ 14)—and orders that Fidelity "hold all funds received from any of the parties to this action pending further order of this Court" (SAC, Count IV prayer (c); Count V prayer (b)). This Court reached the same characterization at the TRO stage, on Plaintiffs' own presentation: "At its heart, this matter is really a partnership dispute over money and lost business opportunities." (TRO Order at 12.)

That is the situation *Ross* walls off. The lis pendens device is "strictly limited to actions directly seeking to obtain title to or possession of specific real property," *Ross*, 2000 WI App 258, ¶ 22, and a constructive-trust demand functioning "solely as 'collateral' for money damages" will not support it, *id.* ¶ 23. The contrast with *Ross* itself is instructive. There, millions embezzled from the Town of Cicero's self-insurance program were traced into the very golf course subjected to the notice,

and the Illinois complaint pled the Town's entitlement to a trust over that property against those holding it. *Id.* ¶¶ 3, 21. Here, the SAC alleges that $209,500 of Primestone-funded deposits (and certain predevelopment expenditures) went toward a $925,000 purchase completed with third-party mortgage money; those allegations appear in support of counts pled against Trandel alone; and the operative pleading no longer contains any claim against the titleholder into whose hands the funds allegedly can be traced. On this pleading, the title-directed prayers function as security for a monetary recovery—the *Polk* paradigm[9], not the *Ross* paradigm. If the bare words of a prayer could carry the day, the *Ross* court's insistence that the complaint "state[] a cause of action to impose a trust" would be empty, and its strict-limitation principle a dead letter: any money claimant could cloud an adversary's title by appending a conveyance demand to counts that cannot support one. *Id.* ¶ 20. The Court declines to read Wisconsin law to permit that.

D. This Ruling Is Consistent with the TRO Order

The Court is mindful that the TRO Order observed, in declining emergency relief, that Plaintiffs' asserted interest was "already protected of record by their own notice of lis pendens" (TRO Order at 11), and that Plaintiffs had "raised a fair question as to their underlying equitable interest in the MP Parcel and its sale proceeds" (TRO Order at 9). Neither observation adjudicated the validity of the Lis Pendens, which no party had then challenged; each described the state of play under the then-operative Verified Amended Complaint—a pleading that included

[9] The plaintiff in *Polk* had a "cause of action [that] was essentially, if not exclusively, for the recovery of money damages." *Ross*, 2000 WI App 258, ¶ 19 (quoting *Polk*, 166 N.J. Super. at 298).

unjust-enrichment and fraudulent-transfer claims against SST. The operative pleading has since changed in precisely the respects that matter, and the present Motion squarely presents, for the first time, the question whether the notice is authorized at all. Different standards, different pleadings, different questions. Denying extraordinary mandatory relief then and cancelling an unauthorized notice now are not merely compatible; they proceed from the same premise—that rights in this case will be determined by what is properly pled and proven, on notice, in the ordinary course.

E. Equitable Considerations

The Court does not minimize the practical stakes. Cancellation will permit SST to convey marketable title, and the Lennar closing—which every party appears to want, on terms about which they disagree—may proceed against a July 31, 2026, deadline[10]. Conversely, it might seem more equitable to leave in place a notice that costs Plaintiffs nothing and preserves the pre-sale status quo while their claims are litigated. But a lis pendens is a creature of statute, and where the statutory predicate is absent, equity follows the law: the recording party's remedy is to plead a qualifying claim, not to retain an unauthorized cloud on another's title. *Ross*'s admonition would mean little if a notice could outlive the claims that might have justified it.

Nor does cancellation strip Plaintiffs of protection against these Defendants. As to parties who appear and participate in the action, the notice "serves no real

[10] In their Motion, Defendants emphasize that non-party Lennar has indicated that if closing does not occur prior to July 31, 2026, then Lennar will terminate the contract. (Mot. ¶ 3.)

purpose and actually has no application," *Hailey*, 39 Wis. 2d at 537-38; parties remain bound by the outcome of this litigation with or without it, *cf. Gaugert v. Duve*, 2001 WI 83, ¶ 42, 244 Wis. 2d 691, 714, 628 N.W.2d 861 (even where a statutory lis pendens is dissolved, a purchaser who is a party to the litigation takes subject to its outcome). What Plaintiffs lose is leverage over strangers to the case—leverage to which, on this pleading, the statute does not entitle them.

As for the sale proceeds: the SAC itself prays that Fidelity hold funds pending further order (SAC, Count IV prayer (c); Count V prayer (b)), and the TRO Order expressly preserved Plaintiffs' right to seek "appropriately preservative relief, on notice, and with all necessary parties joined." (TRO Order at 13-14.) No such motion has been presented in the weeks since. Nothing in this Opinion forecloses one, and the Court expresses no view on the merits of any such application—nor on whether, how, or on what terms any closing occurs or any lien is paid or released. Those matters are for the parties' contracts and, if properly presented, for a future motion. The Court decides today only the question actually before it: whether the Lis Pendens is authorized by Wis. Stat. § 840.10. It is not.

F. Plaintiffs' Unauthorized Supplemental Response

On July 20, 2026, Plaintiffs filed a Supplemental Response to Defendants' Motion to Cancel Lis Pendens ("Supplemental Response"). This Court did not authorize the Supplemental Response to be filed, especially after the matter had already been briefed, argued, and taken under advisement for this very Opinion. Perhaps, following arguments, Plaintiffs believed their original Response did not

address certain points, was incorrect on the law, or would not carry the Motion—but either way, the Court will not speculate as to the litigation strategy of counsel or the reasons for the filing. That would be improper. What is equally improper, and entirely unfair, would be for the Court to permit an epilogue from Plaintiffs—after argument was held—while denying an equivalent afterword to Defendants, who filed no such brief and never requested additional briefing of the sort. Litigation is not cosmic. The parties do not get to loose motions, briefs, and filings into the record at their whim—whenever, and however, they see fit. There is a process to court proceedings. The Court will not be bombarded. Indeed, the Court possesses the "inherent authority to control matters before it as necessary to prevent undue delay or disruption in the proceedings." *In re L.S.*, 2022 IL App (1st) 210824, ¶ 111. Plaintiffs' Supplemental Response is therefore STRICKEN, and the Court will rely solely on the original Response. *See TIG Insurance Co. v. Canel*, 389 Ill. App. 3d 366, 375 (1st Dist. 2009) ("[I]t [is] well within the circuit court's discretion to grant or withhold permission regarding a briefing schedule. No authority exists to nullify that discretion."). The Supplemental Response was not taken into consideration in the Court's analysis that precedes. The ruling above stands independent of anything contained in the stricken brief.

G. Attorneys' Fees

The Motion's prayer also asks for reasonable attorneys' fees and costs. (Mot. at 10-11.) Defendants identify no statute and no contractual provision authorizing fee-shifting on this Motion, and Illinois follows the American Rule: absent statutory

authority or a contractual agreement, each party bears its own attorneys' fees. *See Morris B. Chapman & Associates, Ltd. v. Kitzman*, 193 Ill. 2d 560 (2000). The request is DENIED.

VI. CONCLUSION

Under Wis. Stat. § 840.10(1)(a), as authoritatively construed in *Ross*, the propriety of a lis pendens stands or falls on the pleadings. The SAC states no cause of action against SST, the only party holding an interest in the MP Parcel that a lis pendens could affect; its title-directed prayers are attached to counts that cannot support them; its remedy-styled counts supply no substantive claim; its mortgage counts are derivative and demand nothing the notice secures; and its substance—as this Court has already had occasion to observe—is a dispute over money and the ownership of an entity. The Lis Pendens is therefore unauthorized, and Defendants, whose property it clouds, are entitled to its immediate release.

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THEREFORE, FOR THE AFOREMENTIONED REASONS, THE COURT HEREBY ORDERS AS FOLLOWS:

(1) Defendants' Emergency Motion to Cancel Lis Pendens is GRANTED. The notice of lis pendens recorded by Plaintiffs on February 24, 2026, with the Racine County, Wisconsin Register of Deeds as Document No. 2721543 is determined to be unauthorized by Wis. Stat. § 840.10 as measured against the operative Verified Second Amended Complaint.

(2) *Immediately* upon entry of this Order, Plaintiffs SHALL execute and cause to be recorded with the Racine County Register of Deeds an instrument in recordable form cancelling, discharging, and/or releasing the Lis Pendens. *Immediately* after submission for recording, Plaintiffs SHALL deliver proof of recording (such as a receipt along with the unfile-stamped copy of the document) to counsels for all Defendants. *Immediately* upon receipt of a file-stamped copy of the document, Plaintiffs SHALL deliver a copy of the file-stamped document to counsels for all Defendants, SHALL file a copy with the Clerk of the Circuit Court of Cook County for this case, and SHALL email a copy to the Court's email address listed below. Plaintiffs are ENJOINED from recording any further notice of lis pendens or any other document against the MP Parcel that clouds title to the MP Parcel predicated on the Verified Second Amended Complaint.

(3) Defendants are granted leave to record a certified copy of this Order with the Racine County Register of Deeds, to the extent accepted for recording under Wisconsin recording practice, as evidence of the discharge ordered herein.

(4) The Court retains jurisdiction to enforce this Order.

(5) Plaintiffs' Supplemental Response to Defendants' Motion to Cancel Lis Pendens is STRICKEN.

(6) Defendants' request for attorneys' fees and costs is DENIED.

(7) Nothing in this Opinion and Order adjudicates the merits of Counts I through VI of the Verified Second Amended Complaint; adjudicates the dismissal of any count or party to this action under 735 ILCS 5/2-615 until a properly noticed motion under that Section is brought; adjudicates the validity, enforceability, amount, or priority of the Praesumo Mortgage or the Stoneleigh Mortgage, all of which remain expressly reserved; approves, directs, or restrains any sale of the MP Parcel or any disbursement of proceeds; or precludes any party from seeking, by properly noticed motion with all necessary parties joined, preservative relief respecting sale proceeds or otherwise.

(8) This matter is SET for status on compliance with this Order and status on the pending sale to Lennar on August 4, 2026, at 10:30 a.m. via Zoom at the Zoom Information listed below.

Zoom Information:
Meeting ID: 955 3557 3920
Passcode: None
Call-In: (312) 626-6799

IT IS SO ORDERED.

Date: July 22, 2026

ENTERED:

William B. Sullivan

Honorable William B. Sullivan
Cook County Circuit Judge

ORDER PREPARED BY THE COURT
calendar15.chancery@cookcountyil.gov
(312) 603-6025

