

Bank claims water, electricity to be cut off to Kentucky Home Life Building

Business First by Kevin Eigelbach, Reporter

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Louisville Gas & Electric Co. and the Louisville Water Co. both have threatened to cut off service to the Kentucky Home Life Building, perhaps as soon as Saturday, according to **First Federal Savings Bank of Elizabethtown** Inc., which holds the mortgage on the building.

The building's maintenance and cleaning crews also have not been paid and might stop providing service as soon as this weekend, the bank also says in a motion it made Thursday to appoint a receiver for the building.

The owners of the building, River Glen KHLB LLC and [Keith Eberenz](#), manager of River Glen and guarantor of its debt, filed suit in Jefferson Circuit Court against the bank June 21, alleging breach of fiduciary duty and breach of good faith.

The lawsuit claims that the bank reneged on several promises to extend credit to River Glen KHLB for renovations and upgrades to the building. In a reply and counterclaim filed June 29, the bank denied those allegations and called for Jefferson Circuit Court to foreclose on the property and put the building up for sale to satisfy the \$10.4 million debt that KHLB owes the bank.

Today, the bank filed an emergency motion to have a receiver assume control of the 18-story building at 239 S. Fifth St., whose tenants include the offices of the Jefferson

County master commissioner, which conducts foreclosure sales for Jefferson Circuit Court.

In a memorandum in support of the motion it filed Thursday, the bank said that River Glen KHLB owes LG&E nearly \$25,000 and made its most recent payment on May 28. It also says River Glen KHLB owes the Louisville Water Co. \$6,000 and has not made a payment since April 12.

But [Glenn Cohen](#), an attorney with Seiller Waterman LLC, who represents River Glen KHLB in the case, said today that the electric and water bills are current and will not be cut off. He also said maintenance crews have been paid, but added: "Beyond that, I can't comment."

The bank's memorandum also says that the bank paid River Glen KHLB's delinquent property tax bill of \$107,000, which the memorandum said was further evidence of River Glen KHLB's "incapacity to competently manage the building."

The memorandum also says that the building's property manager says that eight of the building's main air conditioning and heating units are not working and that no plan exists for them to be repaired. And the memorandum says that the building's property and casualty insurance will soon expire, which would be a material breach of the lending agreement between the bank and the owners.

The receiver would collect rents and manage the property. First Federal has asked the court to appoint Dover Realty Advisors LLC and its affiliate management company, Paragon-Dover Ohio LLC, as receiver, according to the memorandum.

The motion for the appointment of the receiver is scheduled to be heard during regularly scheduled motion hour at 2:15 p.m. Monday.

Kevin Eigelbach covers these beats: Financial services, residential real estate, property and casualty insurance, construction, unions, engineers, architects, agriculture, South End, Southwest County, Bullitt County.