

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

**ALL PRO CAPITAL FUNDING LLC, a
Delaware limited liability company,**

Plaintiff,

v.

**NORTHEAST OHIO NEIGHBORHOOD
HEALTH SERVICES, INC., an Ohio
corporation,**

Defendant.

Case No.:

Judge:

COMPLAINT

Plaintiff All Pro Capital Funding LLC (“Plaintiff” or “All Pro Capital”), through its undersigned counsel, commences this action for judgment upon a promissory note and foreclosure of mortgage and appointment of a receiver against Defendant Northeast Ohio Neighborhood Health Services, Inc. (“Defendant” or “NEONHS”), and its real and personal property as set forth herein, and in support hereof, avers as follows:

PARTIES

1. Plaintiff All Pro Capital Funding LLC is a limited liability company organized under the laws of the State of Delaware, having its principal place of business located at 150 Mercer Street, Princeton, New Jersey 08540. The members of All Pro Capital are citizens of New Jersey or Virginia.

2. Defendant Northeast Ohio Neighborhood Health Services, Inc. is a corporation organized under the laws of the State of Ohio, having its principal place of business located at 4800 Payne Ave., Cleveland, Ohio 44103.

JURISDICTION AND VENUE

3. The Court has jurisdiction over this action under 28 U.S.C. § 1332. Diversity jurisdiction is proper because All Pro Capital is a citizen of New Jersey and Virginia and NEONHS is a citizen of Ohio, and because the amount in controversy exceeds \$75,000.00.

4. Venue is proper before this Court pursuant to 28 U.S.C. § 1391, as well as Rule 3.8 of the Local Rules of the Northern District of Ohio, because the subject of this action is a commercial loan, payment of which is secured by real and personal property located within the territorial jurisdiction of this Court, in Cuyahoga County, Ohio.

5. A Title Commitment that establishes evidence of record title to the Real Property (as defined *infra*) as required under Amended General Order No. 2006-16-6 is attached hereto as **Exhibit A**.

6. An affidavit that attaches a written payment history, which authenticates copies of the Note (as defined *infra*) and both modifications thereto, a full recorded copy of the Mortgage (as defined *infra*), and that further satisfies the requirements of Amended General Order No. 2006-16-6 is attached hereto as **Exhibit B**.

BACKGROUND

The Loan Documents

7. All Pro Capital provides private equity real estate investment opportunities in various asset classes.

8. NEONHS is a network of community health centers in the Greater Cleveland area.

9. On May 31, 2022, All Pro Capital and NEONHS entered the Commercial Loan Agreement (hereinafter, “Loan Agreement”), pursuant to which All Pro Capital agreed to lend NEONHS the principal sum of \$11,000,000 to be used by NEONHS for certain business purposes

including restoration of one of its facilities, Hough Health Center, located at 8300 Hough Avenue, Cleveland, Ohio. A copy of the Loan Agreement is attached hereto as **Exhibit C** and incorporated herein by reference.

10. NEONHS' Hough Health Center was damaged by a fire in May 2021. In January 2022, then City Councilman Basheer Jones sponsored legislation to allocate some of the City of Cleveland's American Rescue Plan funds to NEONHS to help rebuild the Hough Health Center. The funds were never allocated to NEONHS. Eventually Councilman Basheer Jones was indicted and convicted of defrauding NEONHS related to its hiring of an associate of Councilman Jones and making donations to a community event in Councilman Jones' ward.

11. The Loan Agreement provided that NEONHS was to repay the Loan in accordance with the terms of a promissory note executed concurrently with the Loan Agreement.

12. Thus, concurrent with the Loan Agreement, on May 31, 2022, NEONHS executed and delivered a Promissory Note (hereinafter, "Note") payable to All Pro Capital wherein NEONHS agreed to pay the principal sum of \$11,000,000.00, and interest on the unpaid balance at the rate of 11% per annum. A copy of the Note is attached hereto as **Exhibit D** and incorporated herein by reference.

13. The Note provided that, commencing on July 1, 2022 and continuing until June 1, 2023 (hereinafter, "Maturity Date"), NEONHS was to pay on the first day of each month all accrued interest on the loan. In addition, the entire principal balance, together with all accrued and unpaid interest thereon, and all other fees, costs and charges, if any, was due and payable in full on the Maturity Date. Under the Loan Agreement, NEONHS was permitted to extend the Maturity Date for six months if: (i) NEONHS provided thirty-days written notice to All Pro Capital; (ii) if

there were no prior or continuing defaults under the Loan Agreement; and (iii) if NEONHS paid a 2% extension fee.

14. The Note further provided that if NEONHS defaulted in the payment of any sum due under the Note, All Pro Capital could, without notice or demand, declare the entire principal balance outstanding under the Note, plus accrued interest and all other sums owed under the Note, immediately due and payable.

15. In order to secure performance and payment of the obligations due under the Note, NEONHS granted All Pro Capital a lien on and security interest in all of its real and personal property and assets (together the “Property”). NEONHS executed and delivered to All Pro Capital an Open-End Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing (hereinafter, “Mortgage”), granting All Pro Capital a mortgage in certain real property located in Cuyahoga County, Ohio, (hereinafter, the “Real Property”), which is more particularly described in the Mortgage. A copy of the Mortgage is attached hereto as **Exhibit E** and incorporated herein by reference.

16. All Pro Capital perfected its security interest in the Real Property by causing the Mortgage to be filed among the land records for Cuyahoga County, Ohio as Document Number 202206210077 of the Cuyahoga County Official Records on June 21, 2022. All Pro Capital perfected its security interest in NEONHS’s personal property, including accounts, general intangibles, inventory, and equipment by causing a financing statement to be recorded with the Ohio Secretary of State as Financial Statement Number OH00264470811 on June 24, 2022 (the “Financing Statement”). A copy of the recorded Financing Statement is attached hereto as **Exhibit F** and incorporated herein by reference.

17. Pursuant to the Mortgage, the Mortgage also constituted a “fixture filing” within the meaning of Section 9-334 of the Uniform Commercial Code as adopted in Ohio because the Mortgage was recorded in the Cuyahoga County Recorder’s Office. *See* O.R.C. Ann. § 1309.334.

18. The Mortgage provided that a default would occur if NEONHS failed to comply with the terms of the Mortgage, Loan Agreement, Note, or any amendments thereto. The Mortgage further provided that, in the event of a default under the Mortgage by NEONHS, All Pro Capital would be entitled to seek the foreclosure sale of the Property and appointment of a receiver over the Real Property.

19. On May 31, 2023, the Note was amended by a Modification Agreement, by and between All Pro Capital and NEONHS, pursuant to which All Pro Capital extended the Maturity Date of the Note to December 31, 2023, upon payment of an additional fee by NEONHS. A copy of the Modification Agreement is attached hereto as **Exhibit G** and incorporated herein by reference.

20. On December 31, 2023, the Note was further amended by the Second Modification Agreement, by and between All Pro Capital and NEONHS, pursuant to which All Pro Capital extended the Maturity Date of the Note to June 30, 2024, and imposed an increased interest rate of 14% per annum from January 1, 2024 until all sums owed under the Note were paid in full. A copy of the Second Modification Agreement is attached hereto as **Exhibit H** and incorporated herein by reference.

The Events of Default

21. NEONHS defaulted on its obligations under the Note as a result of its failure to (i) remit interest payments due on the Note at the applicable interest rate (as modified under the Second Modification Agreement), (ii) timely remit the payment of interest due September 1, 2024,

and every month thereafter through the date of this complaint and (iii) pay all obligations due and outstanding under the Note in full on June 30, 2024, the amended effective Maturity Date of the Note.

22. Accordingly, on September 27, 2024, All Pro Capital notified NEONHS that Events of Default had occurred and were ongoing. A copy of this Notice is attached hereto as **Exhibit I** and incorporated herein by reference.

23. In light of the continuing Events of Default and lack of engagement by NEONHS, on October 11, 2025, All Pro Capital exercised its rights under the Loan Agreement, Note, and related Deposit Account Control Agreement, among All Pro Capital, NEONHS, and Fifth Third Bank, National Association, as depository (the “DACA”), by transferring the balance of the funds maintained in the NEONHS account ending in 4986 (the “Lockbox Account”) subject to the DACA to All Pro Capital’s account. A copy of the DACA is attached hereto as **Exhibit J**.

24. All Pro Capital collected \$4,190,000 from the Lockbox Account (the “Account Funds”) for application in accordance with the Note.

25. The principal balance and accrued interest, which as of May 14, 2025, is \$8,838,763.67, inclusive of accrued and unpaid interest, but excluding any other fees and expenses, remains unpaid.

26. Because of the default, All Pro Capital has the right to foreclose on the Mortgage and seek appointment of a receiver.

27. All Pro Capital has performed all of the conditions and statutory requirements precedent to the commencement of this action.

28. All Pro Capital brings this action without prejudice or waiver of any other rights or remedies existing under the Loan Agreement, Note, Mortgage, and any amendments thereto.

COUNT I

(Judgment on Promissory Note)

29. Plaintiff realleges and incorporates the above allegations as though fully set forth herein.

30. NEONHS executed and delivered the Note to All Pro Capital on May 31, 2022 wherein NEONHS promised to pay to All Pro Capital the principal sum of \$11,000,000.00 pursuant to the terms set forth therein.

31. All Pro Capital is the holder of the Note.

32. NEONHS is in default of its obligations to All Pro Capital under the Note as the result of its failure to (i) remit interest payments due on the Note at the applicable interest rate (as modified under the Second Modification Agreement), (ii) timely remit the payment of interest due September 1, 2024, and (iii) pay all obligations due and outstanding under the Note in full on June 30, 2024, the effective Maturity Date of the Note.

33. The Note provides that upon the occurrence of an event of default, All Pro Capital may require the immediate payment of all amounts due thereunder.

34. On June 30, 2024, all obligations under the Note became due and payable.

35. On September 27, 2024, All Pro Capital declared an Event of Default under the Note and Loan Agreement.

36. On October 11, 2025, All Pro Capital exercised remedies under the DACA by sweeping the Account Funds in the Lockbox Account.

37. As of May 14, 2025, the unpaid principal amount under the Note is \$8,168,493.41 and the aggregate accrued and unpaid interest under the Note is \$670,270.26. Fees and expenses also continue to accrue.

COUNT II

(Foreclosure of Mortgage)

38. All Pro Capital realleges and incorporates the above allegations as though fully set forth herein.

39. On May 31, 2022, to secure its obligations to All Pro Capital under the Note, NEONHS executed and delivered to All Pro Capital the Mortgage wherein it granted to All Pro Capital a mortgage lien against the Real Property.

40. The Mortgage was filed for record in the Official Records of Cuyahoga County, Ohio on June 21, 2022 as Document No. 202206210077.

41. The Mortgage constitutes a valid first and best lien against the Real Property.

42. The Mortgage secures all amounts due under the Note.

43. The Mortgage provides that a default occurs if NEONHS fails to comply with the terms of the Mortgage, Loan Agreement, Note, or any amendments thereto.

44. NEONHS is in default of its obligations to All Pro Capital under the Note as the result of its failure to (i) remit interest payments due on the Note at the applicable interest rate (as modified under the Second Modification Agreement), (ii) timely remit the payment of interest due September 1, 2024 and every month thereafter through the date of this complaint, and (iii) pay all obligations due and outstanding under the Note in full on June 30, 2024, the effective Maturity Date of the Note.

45. NEONHS is therefore in default under the Mortgage.

46. In the event of a default under the Mortgage, All Pro Capital is entitled to immediately seek the foreclosure sale of the Real Property pursuant to the terms of the Mortgage.

COUNT III

(Appointment of a Receiver)

47. All Pro Capital realleges and incorporates the above allegations as though fully set forth herein.

48. The Mortgage provides that a default occurs if NEONHS fails to comply with the terms of the Mortgage, Loan Agreement, Note, or any amendment thereto.

49. NEONHS is in default of its obligations to All Pro Capital under the Note as the result of its failure to (i) remit interest payments due on the Note at the applicable interest rate (as modified under the Second Modification Agreement), (ii) timely remit the payment of interest due September 1, 2024 and every month thereafter through the date of this complaint, and (iii) pay all obligations due and outstanding under the Note in full on June 30, 2024, the effective Maturity Date of the Note.

50. NEONHS is therefore in default under the Mortgage.

51. In the event of a default under the Mortgage, All Pro Capital is entitled to seek the appointment of a Receiver for the Real Property pursuant to the terms of the Mortgage.

52. All Pro Capital is entitled to the appointment of a receiver over the real and personal property pursuant to Rule 66 of the Federal Rules of Civil Procedure and applicable federal practice and procedure.

53. All Pro Capital will request that the Court appoint John K. Lane of Inglewood Associates, LLC as the receiver over the Property. Mr. Lane and his colleagues have substantial experience in asset management, turnaround financial services and healthcare and physician management.

PRAYER FOR RELIEF

WHEREFORE, All Pro Capital respectfully prays for relief against NEONHS as follows:

1. As to Count I, entry of judgment against NEONHS in the amount of no less than \$8,838,763.67, which consists of, as of May 14, 2025, the unpaid principal amount under the Note of \$8,168,493.41, and unpaid interest of \$670,270.26, as well as any other costs, fees, and expenses that All Pro Capital is entitled to recover under the terms of the Loan Agreement and Note.
2. As to Count II, entry of judgment that the Mortgage is a valid first and best lien against the Property, and that said lien be foreclosed, and that the Property be ordered sold and that All Pro Capital be paid out of the proceeds of such sale.
3. As to Count III, that this Court appoint a receiver over the Property and all operation of NEONHS.
4. As to all Counts, for All Pro Capital's costs and expenses, including reasonable attorneys' fees, incurred, and for such other relief that this Court deems just and equitable.

Dated:

Respectfully submitted,

/s/ Peter R. Morrison

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