



ORDERED in the Southern District of Florida on December 26, 2018.



Laurel M. Isicoff
Chief United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
Miami Division
www.flsb.uscourts.gov

In re:	Case No. 18-14506-BKC-LMI
MIAMI BEVERLY, LLC	Chapter 11 (Lead Case)
	Jointly Administered
1336 NW 60, LLC	Case No. 18-14509-BKC-LMI
REVEREND, LLC	Case No. 18-14510-BKC-LMI
13300 ALEXANDRIA DR. HOLDINGS, LLC	Case No. 18-14511-BKC-LMI
THE HOLDINGS AT CITY, LLC	Case No. 18-14512-BKC-LMI
Debtors.	

ORDER GRANTING, IN PART, DENYING, IN PART, EXPEDITED MOTION TO (A) APPROVE SETTLEMENT AGREEMENT BETWEEN THE DEBTORS, EQUITY OWNER, AND THE CITY OF MIAMI; (B) TERMINATE THE CUSTODIANSHIP AND TURN OVER REMAINING PROPERTIES, PURSUANT TO 11 U.S.C. §543; AND (C) MODIFY THE AUTOMATIC STAY TO PERMIT THE TERMINATION OF RECEIVERSHIP CASE OVER NON-DEBTOR PROPERTY

THIS MATTER came before the Court on December 17, 2018 at 3:30 p.m. upon the Debtors'¹ *Expedited Motion to (A) Approve Settlement Agreement Between the Debtors, Equity Owner, and the City of Miami; (B) Terminate the Custodianship and Turn Over Remaining Properties, Pursuant to 11 U.S.C. §543; and (C) Modify the Automatic Stay to Permit the Termination of Receivership Case Over Non-Debtor Property* (the "Motion") [ECF # 259] and *Receiver's Response in Connection with Settlement Agreement Between Miami Beverly, et al. and the City of Miami* (the "Response") [ECF # 275], and the Court, hearing arguments of counsel, having reviewed the Motion, the Response and the file, and being otherwise fully advised in the matter, and for the reasons stated on the record and incorporated herein, including the City's proffer concerning indemnity provisions of the Settlement Agreement,

ORDERS as follows:

1. The Motion is **GRANTED**, in part, and **DENIED**, in part.
2. The Settlement Agreement² is **APPROVED**.
3. Unless otherwise stated herein, all terms of the Settlement Agreement entered between the Debtors and the City of Miami (the "City") are **APPROVED**, and are incorporated herein by reference.
4. This Order and the Settlement Agreement shall not be deemed to be a factual determination with respect to Claims ## 10, 11, and 12 on the Claims Register of the Miami Beverly, LLC bankruptcy case, or other claims in the claims register(s) of the other jointly administered bankruptcy cases that have been filed by Ms. Linda Leali in her individual

¹ The Debtors are Miami Beverly LLC, 1336 NW 60 LLC, Reverend LLC, 13300 Alexandria Dr. Holdings LLC, and The Holdings At City, LLC (the "Debtors").

² Capitalized terms not defined herein shall have the same ascribed meaning as in the Motion.

capacity or on behalf of her law firm.

5. The Court retains jurisdiction to enforce the terms of the Settlement Agreement.

6. Receiver/Custodian, pursuant to 11 U.S.C. § 543(b), shall turn over possession of the Alexandria Property, located at 1730 NW 1 Ct, Miami, FL 33136, to the custody and control of the Debtor, 13300 Alexandria Dr. Holdings LLC by **December 21, 2018 at 12:00 p.m. EST**. The Custodian/Receiver shall have no further duties or responsibilities with respect to the Alexandria Property other than those provided in this Order. The Debtor, 13300 Alexandria Dr. Holdings LLC, will be bound by the terms of the Settlement Agreement, including all of its obligations to remain compliant with the City's laws, rules and ordinances. Further, Debtor, 13300 Alexandria Dr. Holdings LLC, is required to maintain compliance with all of its duties as a Debtor-in-Possession, including any and all required insurance policies for the building. The Receiver is authorized to terminate premium financed insurance policy agreement and obtain a refund, if any.

7. Receiver/Custodian, pursuant to 11 U.S.C. § 543(b), shall turn over possession and control of the Reverend Property, located at 6820 NW 1 St, Miami, FL 33147, to the City of Miami on **December 21, 2018 at 12:00 p.m. EST**. After that time, the Custodian/Receiver shall have no further duties or responsibilities with respect to the Reverend Property other than those provided in this Order. Notwithstanding turnover to the City, Reverend, LLC will comply with the terms of the Settlement Agreement by executing a quit claim deed as required therein. including any and all required insurance policies for the building. The Receiver is authorized to terminate premium financed insurance policy agreement and obtain a refund, if any.

8. Any unused funds that were dedicated to repairs of the Properties pursuant to previous order of this Court, which are presently held by counsel for the equity owner are hereby released to the equity owner.

9. Receiver/Custodian is entitled to reduce her existing \$100,000 bond to \$30,000, without further order of the State Court.

10. The automatic stay is modified such that the Debtors and Non-Debtor, The Holdings at City II, LLC, may seek to terminate the Receivership and discharge the Receiver of her duties and responsibilities, and otherwise release any bond then in existence (the "Termination Order"), in the State Court in the case styled as *City of Miami v. Miami Beverly LLC, et al.* (Case No. 2014-027781-CA-01) (the "Receivership Case"). For the avoidance of doubt, the Settlement Agreement requires a hearing of the State Court that includes notice to the Equity Owners, the Receiver and the City, and the discretion to release the property of the Non-Debtor is solely held with the State Court.

11. The Receiver/Custodian shall provide final accounting of the Receivership/Custodianship, and turn over of any funds and/or other assets held in connection with any of the Properties associated with the Receivership,, as applicable to the Debtors, within thirty (30) days following entry of any Termination Order Receiver/Custodian and the Debtors shall cooperate to produce the final accounting of the Receivership. To avoid any doubt, the scope of work of the Debtors' accountant, under the related services provision (paragraph 2) of the Court's Employment Order [ECF # 262], shall include assistance with and preparation of any of the final Receivership/Custodianship accounting. Receiver/Custodian is permitted to pay any expense of the Debtors for the properties under her control, however, subject to the process stated in the Court's previous order [ECF #79].

12. The Receiver/Custodian shall have up to thirty (30) days, following entry of the Termination Order, to file claims for fees and costs, to the extent applicable against the Debtors. Such claims shall be determined by the Bankruptcy Court, to the extent that such jurisdiction exists. To the extent the Court determines it has jurisdiction and elects to exercise such jurisdiction to hear such claim, the Receiver/Custodian may seek to have any fee

enhancement claims determined by this Court.³ In the event the State Court has not ruled with respect to raising any such fee enhancement claims against the Debtors, the foregoing period, as well as the claims bar period detailed herein, will be extended by a period of thirty (30) days following entry of such ruling.

13. The Debtors shall have up to thirty (30) days, following entry of the Termination Order, to file any claim against the Receiver/Custodian for acts undertaken by the Receiver/Custodian in the post-Petition period through such date that she is discharged of her duties. Prior to filing any claim against the Receiver/Custodian, the Debtors must seek approval to bring such action from the State Court. In the event the State Court has not ruled with respect to raising any claims against the Receiver, the foregoing period, as well as the claims bar period detailed in paragraph 12, will be extended by a period of thirty (30) days following entry of such ruling.

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Submitted by:

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Copies furnished to:

Ido J. Alexander, Esq.

Attorney Alexander is directed to serve copies of this order on all interested parties and to file a certificate of service.

³ The Receiver/Custodian is not limited, to the extent the right exists, to seek to have any fee enhancement claim adjudicated in the State Court.