

IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL CIRCUIT
IN AND FOR BROWARD COUNTY, FLORIDA

IN RE:

CASE NO.: CACE 24-005243

HERON POND CONDOMINIUM
ASSOCIATION, INC.

Petitioner.

v.

HERON POND CONDOMINIUM
ASSOCIATION, INC.,

Defendant/Respondent

INITIAL STATEMENT OF ACCOUNT OF RECEIVER, DANIEL J. STERMER

Pursuant to Paragraph 26 of the *Order Granting Verified Petition for Appointment of Receiver* dated April 26, 2024 (the “Order Appointing Receiver”),¹ Daniel J. Stermer the Court-appointed Receiver (“Receiver”), hereby submits the Receiver’s Initial Statement of Account (“Initial Statement”), identifying the Receiver’s and his court-approved retained professionals’ fees and costs from April 26, 2024 through May 31, 2024. **This is not an application for payment of fees and costs and at this time, the Receiver and his professionals are not requesting payment of their fees and costs.** The Receiver states:

I. BACKGROUND

On April 16, 2024, the Plaintiffs, Heron Pond Condominium Association, Inc. (the “Plaintiff” or “Association”), commenced this action by the filing of a Verified Petition For Appointment of a Receiver against the Association.

¹ Capitalized terms used herein shall be given the definition provided in the Order Appointing Receiver, unless otherwise stated.

The Association is an “Association” as defined in Chapter 718, Florida Statutes, located within Broward County and is governed by the Declaration of Condominium Establishing Heron Pond Condominium (the “Declaration”), recorded on June 14, 2006 in Official Records Book 42216, Page 910, in the Public Records of Broward County, Florida. The Association is comprised of 304 individual units contained in 19 separate buildings (the “Buildings”) owned by various individuals and entities (the “Members”).

As of September 12, 2023, six out of the nineteen buildings located within the Association were declared unsafe structures by the City of Pembroke Pines (the “City”) and rendered uninhabitable and residents were ordered to vacate. An additional 26 units certain of the remaining buildings have also been rendered uninhabitable and residents were ordered to vacate. To date, one hundred and twenty-six units have been deemed unsafe by the City resulting in the displacement of many residents that were forced to leave their homes and find alternative living arrangements.

On April 16, 2024, the Association’s board of directors filed an *Ex Parte Verified Emergency Motion for Appointment of a Receiver* (the “Motion”), recognizing “the monumental task ahead and realizing that they are incapable of addressing the myriad of issues plaguing the Association caused by the conduct of the prior Board of Directors that permitted the Association Property to fall into a state of substantial disrepair.” See Motion ¶1. The Motion asserted that the Association and its Members’ properties are being wasted, lost, deteriorated, destroyed and deprived because of the prior deplorable conduct. . . and that the appointment of a receiver is necessary and proper to preserve the Association’s and its Members’ properties. See Motion ¶3.

On April 26, 2024, the court entered the *Order Appointing Receiver*. Since that time, the Receiver and his professionals have tirelessly worked to to get up to speed regarding the myriad

of issues plaguing the Association, the Property, and its Members. The Receiver provides updates regarding his actions to the Members through emails and the Receiver's website: <https://heronpondreceiver.com/> (the "Receiver's Website").

Paragraph 26 of the Order Appointing Receiver provides:

The Receiver shall file a statement of account with the Court by the tenth (10th) day of each month for the time and expenses incurred in the preceding calendar month. If no objection thereto is filed within ten (10) days following the filing thereof, such statement of account may be paid. If an objection is timely filed, such statement of account shall not be paid absent further order of the Court, however, the Receiver may seek entry of an order from the Court authorizing payment on an expedited basis. The Receiver and its professionals reserve the right to seek a success or transaction fee, which shall be subject to further Court approval. For the avoidance of doubt, Receiver and his retained professionals shall not disclose attorney-client privileged communications, including work-product or other privileged information, and may redact from any filing time entries and/or references to tasks that would reveal privileged information, if any party challenges the reasonableness of the fees and costs incurred and paid by Receiver pursuant to this Order. The Receiver shall otherwise take reasonable steps to provide the Court with confidential, non-public information through the use of sealed filings, as may be required from time to time for in camera inspection by the Court.

II. WORK PERFORMED IN PERIOD

As indicated in the Receiver's Initial Report ("Initial Report") filed on May 23, 2024, which is incorporated by reference herein as if fully set forth herein, this case has required substantial work by the Receiver and his professionals. Since the Receiver's appointment, he and his team have taken control of the Association's bank accounts and have been provided access to the accounting platform utilized by the current bookkeeper, Preferred Accounting Services, Inc. ("PAS"). Per discussions with PAS, the system replaced the prior accounting system utilized by the former bookkeeper retained by prior management. The Receiver's duties have required various in-person meetings and site visits, as well as countless telephone and video conferences with (i) officials and representatives from the City of Pembroke Pines, (ii) the Association's property

manager, West Broward Community Management, (iii) the Association's engineers and contractors and certain counsel, (iv) Members and tenants, (v) counsel in various pending litigations by and against the Association, (vi) Federated Trust, the owner of at least 111 of the Association's units and their counsel, (vi) Assured Partners, the Association's Insurance Broker ("Insurance Broker"), and (vii) other constituents with interests in the Property or the action, to learn about the Association's status and facilitate my management and oversight of the Association and attendant Property.

The Receiver has also obtained and examined the Associations' banking and financial information from Popular Bank and Truist Bank, and has identified an additional bank account maintained at Ocean Bank. The Receiver anticipates conducting additional investigations and research to identify all bank accounts and assets associated with the Association. The Receiver and his professionals have spent substantial time investigating and understanding the status of the Association's property, casualty, windstorm and liability insurance policies and working with the Association's insurance broker of record to investigate potential options for the Association to obtain appropriate and sufficient insurance. The Receiver has also engaged an additional independent engineering firm to perform their own investigation as to the status and condition of the Buildings.

The Receiver has necessarily and at an increasingly granular level investigated and analyzed the Associations operations, board members, prior professionals and vendors, contracts, Members, leases, and financial transactions to discharge his duties. This involved analysis into structural reports, construction contracts, Member ledgers, prior meeting minutes, banking and financial documents, and other property information. The Receiver has been in constant contact with various third parties, such as Members, who in many instances have received virtually no

information whatsoever regarding the status of the Association Property despite being required to pay substantial special assessments. In addition, the Receiver moved quickly to stay all litigation against the Association, and transfer all matters to the Receivership Court, to preserve and maximize its assets and reduce legal and litigation expenses. These matters, along with the day-to-day management of the Association - including evaluating and determining structural issues, management issues, property expenses, leasing and sales, insurance issues - have required significant attention from the Receiver and his professional team. The Receiver and his professionals have worked on this matter nearly every day since the Court appointed the Receiver.

III. FEES AND EXPENSES INCURRED BY THE RECEIVER AND HIS PROFESSIONALS

The Receiver provides notice to the Court of the fees and costs incurred by the Receiver, his counsel, Berger Singerman, LLP, his financial advisory and consulting firm, Development Specialists, Inc., and special condominium counsel, Eisinger Law as follows. **At this time, the Receiver is not seeking authorization to pay the fees and costs setforth below, which will be requested by separate Motion.**

A. Receiver, Daniel J. Stermer

The Receiver's standard hourly rate is \$545.00. For purposes of this Receivership, however, the Receiver voluntarily agreed and reduced his hourly rate to \$495.00 and has agreed that he will not seek to raise it during the duration of the Receivership. Through the time period covered by this Application, the Receiver has expended a total of no less than 85.70 hours, for a total of \$42,421.50 in fees. The Receiver did not incur costs during this period.

B. Berger Singerman LLP

The Receiver agreed to Berger Singerman's rates of \$750.00 for Brian G. Rich, \$725.00 for Jeffrey Wertman, \$700.00 for Paul Figg \$635.00 for Michael J. Niles, and \$325.00 for

Paralegals Luis Torres and Janette Diaz. Collectively, the professionals from Berger Singerman worked 105 hours for a total of \$66,302.00.² The effective blended hourly rate for Berger Singerman's professionals is \$576.66 per hour across all timekeepers.

Berger Singerman also incurred reimbursable costs in the amount of \$179.79. The total invoiced amount due to Berger Singerman for its fees and costs during the period is \$66,482.29.

C. Development Specialists, Inc.

The Receiver agreed to Development Specialists, Inc. rates of \$525.00 for George E. Shoup III and \$470.00 for Spencer Ferrero. The effective blended hourly rate for Development Specialists Inc.'s professionals is \$523.24 per hour across all timekeepers.

Development Specialists, Inc. has provided both financial advisory services and day to day management and oversight services. Development Specialists Inc. financial advisory and consulting services fees of \$57,347.50. Collectively, the professionals from Development Specialists Inc worked no less than 109.60 hours for a total of \$57,347.50. Development Specialists Inc. also incurred reimbursable costs and fees in the amount of \$2,878.95. The total invoiced amount due to Development Specialists Inc. for its fees and costs during the period is \$60,226.45.

D. Eisinger Law

The Receiver agreed to Eisinger Law's rates of \$420.00 for Alessandra Stivelman and \$350.00 for Alejandro Alonso. Collectively, the professionals from Eisinger Law worked no less than 41.40 hours for a total of \$13,930.00. The effective blended hourly rate for Eisinger Law's professionals is \$376.66 per hour across all timekeepers.

Eisinger Law also incurred reimbursable costs in the amount of \$476.04. The total

² Time incurred by additional team members from Berger Singerman was discounted, as a courtesy.

invoiced amount due to Eisinger Law for its fees and costs during the period is \$14,463.72.

E. SUMMARIES

For the Court’s convenience, the Receiver has prepared the below aggregate tabular summary of all fees by professional through May 31, 2024:

RECEIVER, DANIEL J. STERMER

<u>Receiver</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
Daniel J. Stermer	\$ 495.00	85.70	\$42,421.50

BERGER SINGERMANN LLP

<u>Name of Attorney/Paraprofessional</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
Brian G. Rich	\$750.00	25.70	\$19,275.00
Jeffrey Wertman	\$725.00	3.3	\$2,392.50
Michael J. Niles	\$635.00	49.5	\$31,432.50
Paul Figg	\$700.00	8.8	\$6,160.00
Luis Torres	\$295.00	10.5	\$3,412.50
Janette Diaz	\$295.00	2.6	\$845.00

Development Specialists, Inc.

<u>Name of Professional</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
George E. Shoup III	\$525.00	106.1	\$55,702.50
Spencer G. Ferrero	\$470.00	3.5	\$1,645.00

Eisinger Law

<u>Name of Attorney</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
-------------------------	--------------------	---------------------	-------------------

Alessandra Stivelman	\$420.00	16.4	\$6,888.00
Alejandro Alonso	\$350.00	19.4	\$6,790.00
Michael Villarosa	\$360.00	.7	\$252.00

The professional services rendered by the Receiver and his professionals, as well as the necessary and reasonable non-reimbursed out-of-pocket costs attendant to those services, are summarized above. Notwithstanding, a mere reading of the above summaries and the Initial Report cannot completely reflect the full range of services rendered by the Receiver and his professionals, the complexity of the issues, and the pressures of time and performance which have been placed upon the Receiver and his professionals in connection with this case. The Receiver's fees and costs are reasonable and were necessarily incurred in discharging his duties under the Order Appointing Receiver. To date, the Receiver and his professionals have not been paid any compensation in connection with the services and expenses referenced herein and none has received any retainer.

As noted in the Initial Report, the Receiver gained control of 7 bank accounts belonging to the Association, which collectively had an ending bank balance as of May 31, 2024, of \$606,948.75. The Receiver and his professionals have not curtailed or in any respect limited their work in this matter as a result of the lack of funds presently available to pay whatever of their fees this Court awards and understood same when they accepted their respective roles in this matter. To the contrary; the Receiver and his professionals have made their attention to this matter a priority understanding the life safety and related considerations in this matter. The Receiver and his professionals continue to try and collect outstanding condominium association assessments and special assessments from the Members.

The Receiver and his team have adapted well to address the circumstances surrounding the Association's business and the Receiver's obligations under the Order Appointing Receiver and

will continue to maximize the value of the Assets and Property for the benefit of the Receivership Estate. A copy of this Initial Statement, and all subsequent statements of account will be posted on the Receiver's Website.

Pursuant to the Order Appointing Receiver, the Receiver will file subsequent Statement of Accounts using the form attached hereto as **Exhibit "A"**, which will also be uploaded to the Receiver's Website. Further, the Receiver will subsequently file Motions to Approve Fees and Costs ("Fee Motions") on a regular basis and in his business judgment. Notwithstanding, the Receiver's Fee Motions shall not alter the provisions set forth in Section 26 of the Order Appointing Receiver.

Dated: June 10, 2024

Respectfully submitted,

BERGER SINGERMAN LLP
Counsel for Receiver
201 East Las Olas Boulevard
Suite 1500
Fort Lauderdale, Florida 33301
Tel. (954) 525-9900
Fax (954) 523-2872

By: /s/ *Brian G. Rich*
Brian G. Rich
Florida Bar No. 38229
brich@bergersingerman.com
Jeffrey Wertman
Jwertman@bergersingerman.com
Michael J. Niles
Florida Bar No. 107203
mniles@bergersingerman.com

CERTIFICATE OF ELECTRONIC FILING AND SERVICE

I **HEREBY CERTIFY** that on this 10th day of June 2024, the foregoing was filed electronically through the Florida Court's E-Filing Portal, which will send notice of electronic filing to all electronic service parties.

By: /s/ Brian G. Rich
Brian G. Rich

EXHIBIT “A”

STATEMENT OF ACCOUNT OF RECEIVER, DANIEL J. STERMER

Daniel J. Stermer, not individually, but solely in his capacity as Receiver (the “Receiver”) of Heron Pond Condominium Association, Inc. (the “Association”), by and through undersigned counsel, pursuant to the Court’s *Order Granting Verified Petition for Appointment of Receiver* dated April 26, 2024 (“Receivership Order”), hereby files this Statement of Account for the period between ___[Date]___ through ___[Date]___.

The Statement of Account provides notice to the Court of the fees and costs incurred by the Receiver, his counsel, Berger Singerman, LLP, his financial advisory and consulting firm, Development Specialist, Inc., and special condominium counsel, Eisinger Law from ___[Date]___ through ___[Date]___. At this time, the Receiver is not seeking authorization to pay the fees and costs setforth below, which will be requested by separate Motion.

RECEIVER, DANIEL J. STERMER

<u>Receiver</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
Daniel J. Stermer	\$ 495.00		\$

BERGER SINGERMAN LLP

<u>Name of Attorney/Paraprofessional</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
Brian G. Rich	\$750.00		\$
Jeffrey Wertman	\$725.00		\$
Michael J. Niles	\$635.00		\$
Paul Figg	\$700.00		\$

Luis Torres	\$295.00		\$
Janette Diaz	\$295.00		\$

Development Specialist, Inc.

<u>Name of Professional</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
George E. Shoup III	\$595.00		\$

Eisinger Law

<u>Name of Attorney</u>	<u>Hourly Rate</u>	<u>Hours Worked</u>	<u>Total Fees</u>
Alessandra Stivelman	\$420.00		\$
Alejandro Alonso	\$350.00		\$

CERTIFICATE OF ELECTRONIC FILING AND SERVICE

I **HEREBY CERTIFY** that on this ___th day of _____ 2024, the foregoing was filed electronically through the Florida Court’s E-Filing Portal, which will send notice of electronic filing to all electronic service parties.

By: /s/ _____
 Brian G. Rich

Summary Fee Transaction File List
Development Specialists, Inc.

		<u>Hours to Bill</u>	<u>Amount</u>	
Subtotal for Consultant 25	Billable	1.00	495.00	D. J. Stermer
Total for Category 14	Billable	1.00	495.00	Attend Court Hrgs/Rev Pleadgs
Subtotal for Consultant 25	Billable	23.10	11,434.50	D. J. Stermer
Total for Category 22	Billable	23.10	11,434.50	Business Analysis
Subtotal for Consultant 25	Billable	5.10	2,524.50	D. J. Stermer
Total for Category 31	Billable	5.10	2,524.50	Claims Analysis/Objections
Subtotal for Consultant 25	Billable	43.50	21,532.50	D. J. Stermer
Total for Category 41	Billable	43.50	21,532.50	Managing Business Operations
Subtotal for Consultant 25	Billable	1.80	891.00	D. J. Stermer
Total for Category 54	Billable	1.80	891.00	Shareholdr Contact/Rltd Issues
Subtotal for Consultant 25	Billable	3.30	1,633.50	D. J. Stermer
Total for Category 61	Billable	3.30	1,633.50	Litigation Support
Subtotal for Consultant 25	Billable	6.20	3,069.00	D. J. Stermer
Total for Category 69	Billable	6.20	3,069.00	Government Contact
Subtotal for Consultant 25	Billable	1.70	841.50	D. J. Stermer
Total for Category 82	Billable	1.70	841.50	Reports For Court
GRAND TOTALS				
	Billable	85.70	42,421.50	

Summary Fee Transaction File List
Development Specialists, Inc.

		<u>Hours to Bill</u>	<u>Amount</u>	
Subtotal for Consultant 26	Billable	0.70	367.50	G. E. Shoup
Total for Category 14	Billable	0.70	367.50	Attend Court Hrgs/Rev Pleadgs
Subtotal for Consultant 26	Billable	46.80	24,570.00	G. E. Shoup
Total for Category 22	Billable	46.80	24,570.00	Business Analysis
Subtotal for Consultant 26	Billable	6.00	3,150.00	G. E. Shoup
Subtotal for Consultant 57	Billable	3.50	1,645.00	S. G. Ferrero
Total for Category 29	Billable	9.50	4,795.00	A/R Review/Collection
Subtotal for Consultant 26	Billable	49.10	25,777.50	G. E. Shoup
Total for Category 41	Billable	49.10	25,777.50	Managing Business Operations
Subtotal for Consultant 26	Billable	3.50	1,837.50	G. E. Shoup
Total for Category 69	Billable	3.50	1,837.50	Government Contact
GRAND TOTALS				
	Billable	109.60	57,347.50	