

**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

**HOMEOWNERS' RESPONSE IN OPPOSITION TO
RELIEF SOUGHT BY RECEIVER, DANIEL J. STERMER**

COMES NOW, non-party Maria Elena Betancur and Gloria Patricia Betancur, Homeowners at Heron Pond Condominium Association, Inc. (collectively "Homeowners"), by and through undersigned counsel, hereby submit their opposition to relief sought by Court-Appointed Receiver, Daniel J. Stermer, in *Motion For Approval of Employment of Dennis D. Mele and Greenspoon Marder LLP As Special Counsel To The Receiver* ("Motion") and in support thereof submits as follows:

1. The Homeowners object to the Motion filed by the Court-Appointed Receiver Daniel Stermer ("Receiver"), for Heron Pond Condominium Association, Inc. ("Association" or "Heron Pond") for the reasons outlined herein.

2. Homeowners, Maria Elena Betancur and Gloria Patricia Betancur, purchased a condominium unit in Heron Pond 18 years ago. Now, Homeowners, along with all other residents and homeowners of Heron Pond have been forced to move out of their homes. Not only are they

now displaced, but Homeowners will face moving expenses, higher monthly rent in a new location and the real possibility that they may lose all equity in their homestead.

3. Homeowners object to the relief sought by Receiver in his Motion, and have grave concerns about decisions that have been made by the Receiver which appear to be detrimental to Homeowners, including but not limited to:

- Further depleting the remaining funds of the Association to pay for high-priced attorneys and law firms. ***See Motion and Receiver's Monthly Reports.***

- Failing to investigate and hold accountable the prior Board members, including former Board President, "Peter Patel," whose *real name* is Piyush Bavanjibhai Viradia and who owns 111 of the 304 units in Heron Pond. Patel. As the former Board President, Patel was chiefly responsible for mismanaging, misappropriating and most-likely embezzling Association funds to benefit himself and his trust, Federated Foundation Trust, to the detriment of the Homeowners in Heron Pond by failing to pay his share of monthly association dues and special assessments (consisting of roughly 1/3 of the units in Heron Pond), failing to make the necessary repairs and maintenance to the Association units, as required by Florida law, and allowing the Association units and common areas to deteriorate to a total state of disrepair. ***See generally, Ex Parte Verified Emergency Motion For Appointment Of Receiver.***

- Failing to do a historical accounting of the Board's accounts and making no effort yet to investigate or trace the misappropriated Association funds to try to recover monies from Patel, Federated Foundation Trust, and other responsible Board members in an effort to make their victims whole. ***See Receiver's Fourth Monthly Report filed August 23, 2024, at ¶ 41.***

- Evacuating and displacing all residents of Heron Pond despite a competing report which contradicts some of the findings of Receiver's engineers regarding the purported level of disrepair in the Association, and calls into question this drastic measure.

- As well, clearing out the homeowners of the Association essentially now provides an opportunity for the very wrong-doers who ran the Association into the ground in the first place while enriching themselves with the Association's funds, i.e., Patel and Federated Foundation Trust, to purchase the Heron Pond property for pennies on the dollar while the Homeowners are left destitute and losing their entire life savings.

- Failing to consider other construction company/engineer reports and estimates which question the exaggerated costs reported by the Receiver to repair and rehab the Association.

4. Homeowners object to Receiver's decisions with respect to the potential sale of the Association, and further object to the relief being sought by the Receiver in requesting to hire additional high-priced attorneys as requested in his Motion. These decisions do not take into consideration the Homeowners' interests.

5. When Mr. Stermer was appointed as Receiver, the Homeowners believed that he would work diligently to rehab the units that were in disrepair in the Association, and that he would allow the construction company that was already in place to proceed to complete its work (which was stalled due, in part, to non-payment from the Board). Instead, the Receiver did not pay the construction company to complete the work, and instead brought his own construction company and engineers. Nothing was done to complete the rehabilitation of the Association with the Association's funds and assets.¹ Yet, the Receiver continues to deplete the Association's funds and assets to pay for his own fees, costs and that of those he continues to hire.

¹ Although there were units that were uninhabitable when the Receiver arrived, the majority of units including Homeowners' unit was nowhere near the level of disrepair that the Receiver claims in his reports. In fact, there is a competing engineering report which calls into question the findings of the Receiver's engineers' report, which he relied on to alert the County resulting in the mass evacuation of Heron Pond residents.

6. Based on the Receiver's actions and inactions, Homeowners have come to believe that the Receiver's goal has been to take easy way out and sell Heron Pond Association, instead of working diligently to protect the Homeowners' property interests, and also to protect the Association from real estate investment and developers, such as Patel and his Trust, who are looking to take advantage of the situation to purchase the now-distressed and vacant Association's property at a reduced price.

7. In a meeting with Heron Pond residents, the Receiver gave residents **two (2) options** – (1) pay a \$40,000 Special Assessments to repair the units Association or (2) sell the Association. That is a false dichotomy presented to Heron Pond homeowners that only those 2 options existed, which led Homeowners to feel pressured to opt to sell. In fact, the Receiver failed to consider or notify them of other potential viable options. For example, the Receiver could have allowed the construction company that was already there to complete the work which reportedly could have been done at a much lower amount than the quoted \$40,000 per unit amount; Receiver could have obtained bids for lower cost of rehabilitation by other construction companies; Receiver could have taken into consideration the report which questioned the level of disrepair in the Association to avoid a mass evacuation of all residents; Receiver could have investigated the former Board Members, including Patel and his Trust, to try to recoup money for the Association and also the Association property owners who are victims of the criminal actions of Patel, his Trust and other Board Members, etc.

8. With respect to the pending Motion, Homeowners object to Receiver continuing to bill the exorbitant attorney fees and costs and depleting the Association's funds. The Court's Order appointing Mr. Stermer as Receiver stated that his hourly rate would be **\$495.00 per hour**, which has remained the same for the Receiver. However, the attorneys he has hired since and/or now requesting to hire in his Motion, are billing rates **well above the \$495.00 hourly rate.** For

example, attorney Brian G. Rich is billing at **\$750.00 an hour**, Jeffrey Wertman is billing at **\$725.00 an hour**, Michael J. Niles is billing at **\$635.00 an hour**. **See Receiver's Third Statement of Account**. Surely Mr. Stermer should be able to find and employ attorneys or other firms who can do the same legal work at a more reasonable rate that would be more in line with the amount that he represented to the Court of \$475.00 an hour. **See Court's Order Appointing Receiver**.

9. As well, the Receiver's Motion now seeks the Court's approval to hire Dennis D. Mele, a Partner and Chair to the Land Use and Zoning Practice of the reputable firm of Greenspoon Marder, at **\$775.00 an hour**. **See Receiver's Motion**. **Homeowners' object to Receiver's request to hire Mr. Mele for the following reasons:**

(1) While Mr. Mele is probably a fine attorney capable of handling the tasks that the Receiver wishes to assign to him, **his rate of \$775.00 per hour is exorbitant**, and the Homeowners should not have to bear the costs of such costly hourly rate when there are other attorneys or firms quite capable of doing the same work at *a more reasonable rate*; and

(2) The Receiver wishes to hire Mr. Mele to proceed with the sales process which Homeowners object to because the Receiver is putting the proverbial cart before the horse. As stated before, the Receiver's sole basis for proceeding with the sale of the Association is based on an informal "straw pole" which should hardly justify the sell off of an entire condominium association, and more importantly, where the Homeowners will undoubtedly receive **less than fair market value for their home**; and

(3) According to this Court's Order, the Homeowners will be held responsible for paying the cost and fees of the Receiver and all who he continues to hire even after

Association funds are depleted – including the sale of assets and property. **See Court's Order Appointing Receiver at ¶26.**

10. The Homeowners are facing a terrible financial disastrous situation having been left with no recourse but to move out of their homes as of August 29, 2024, receiving **no financial assistance** from anyone, having to sell or give away some of their belongings to be able to move whatever furniture and personal items they can move into a smaller (and more costly) apartment, having to pay higher rent and costs in a new rental property, all the while still having to pay the mortgage on their Heron Pond property.

11. It is unconscionable, that on top of that, the Homeowners would be made responsible for the costs and fees of the Receiver and the high-priced attorneys who Receiver employees. The Homeowners do not deserve to be further victimized by having to bear the cost of paying such high legal rates for the attorneys hired by Mr. Stermer.

12. For the foregoing reasons, Homeowners Maria Elena Betancur and Gloria Patricia Betancur, hereby request that the Court deny the Receiver's *Motion For Approval Of Employment of Dennis D. Mele and Greenspoon Marder LLP As Special Counsel To The Receiver*, and instead request that the Court order the Receiver to seek attorneys and firms that can provide comparable legal services at a rate commiserate with what was represented to the Court would be the hourly rate of the Receiver of \$495.00 and hour. The Homeowners do not deserve to be further victimized by having to bear the cost of paying such high legal rates the attorneys hired by Mr. Stermer.

WHEREFORE, Heron Pond Condominium Association, Inc. Homeowners Maria Elena Betancur and Gloria Patricia Betancur, respectfully requests that the Court deny Receiver's *Motion For Approval Of Employment of Dennis D. Mele and Greenspoon Marder LLP As*

Special Counsel To The Receiver, and for such other additional relief as the Court deems just and proper.

Dated: August 28, 2024

Respectfully submitted,

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CERTIFICATE OF ELECTRONIC FILING AND SERVICE

I HEREBY CERTIFY that on this 2nd day of September 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/ Elizabeth P. Perez
Elizabeth P. Perez, Esq.