

**IN THE CIRCUIT COURT OF THE
ELEVENTH JUDICIAL CIRCUIT IN
AND FOR MIAMI-DADE COUNTY,
FLORIDA**

CASE NO. 07-43672 (CA 09)

STATE OF FLORIDA, OFFICE OF FINANCIAL
REGULATION,

Plaintiff,

v.

BERMAN MORTGAGE CORPORATION,
a Florida corporation, M.A.M.C. INCORPORATED,
a Florida corporation, DANA J. BERMAN,
as Owner and Managing Member,

Defendant.

and

DB ATLANTA, LLC, a Florida limited liability
company, et al.,

Relief Defendants.

**RECEIVER'S MOTION TO AUTHORIZE DISTRIBUTION OF THE
PROCEEDS OF THE SALE OF THE VACANT LAND OWNED BY
DBKN GULF INCORPORATED AND RELATED FUNDS TO THE
OCEANSIDE ACQUISITIONS, LLC, GULF ISLAND RESORTS, LP
AND DBKN GULF INCORPORATED LENDERS**

Michael I. Goldberg, the court-appointed receiver (the "Receiver") for Defendants Berman Mortgage Corporation ("BMC"), M.A.M.C. Incorporated ("MAMC"), and Relief Defendants DB Atlanta, LLC, *et al.*, hereby files this *Motion to Authorize Distribution of the Proceeds of the Sale of the Vacant Land Owned by DBKN Gulf Incorporated to the Oceanside Acquisitions, LLC, Gulf Island Resorts, LP and DBKN Gulf Incorporated Lenders* (the "Motion"). In support of this Motion, the Receiver states as follows:

1. On December 11, 2007, this Court entered a *Temporary Injunction and Agreed Order* (the "Receivership Order") appointing Michael Goldberg as the receiver for BMC and MAMC (the "Defendants") and the Relief Defendants (collectively, the "Receivership Defendants") to prevent the waste and dissipation of the Receivership Defendants' assets to the detriment of the investors (the "Lenders") who entrusted over \$192 million ("Lender Funds") to the Receivership Defendants.

2. The Lender Funds were secured by mortgages on approximately 40 different real estate projects and properties including properties located at the Gulf Island Beach and Tennis Club ("Gulf Island Club"), a waterfront residential condominium community in Hudson, Florida.

3. Three mid-rise buildings at the Gulf Island Club were constructed in 1985. Land set aside for a fourth building on the far west corner of the community remains undeveloped (the "Vacant Land").

4. Prior to the appointment of the Receiver, Gulf Island Resort, L.P. borrowed the sum of \$877,500 from BMC. The loan was funded by sixteen of the Lenders (the "Gulf Island Lenders") and payment was secured by fourteen condominium units.

5. Moreover, Dana Berman and Keith Novak, two of the principals of BMC, formed Oceanside Acquisitions, LLC for the purpose of purchasing certain of the condominiums (the "Oceanside Units") from Gulf of Mexico Enterprises. The purchase of the Oceanside Units was funded by two loans from certain of the Lenders (the "Oceanside Lenders") in the total sum of \$1,700,000 and payment was secured by the Oceanside Units.

6. Additionally, Dana Berman and Keith Novak formed DBKN Gulf, LLC ("DBKN") for the purpose of purchasing the Vacant Land for future development. This purchase

was funded by a group of Lenders (the “DBKN Lenders”) in the amount of \$990,000 and payment was secured by the Vacant Land.

7. On April 17, 2013, the Receiver filed a Motion to Treat All Investors in Oceanside Acquisitions, LLC, Gulf Island Resort, L.P. and BDKN Gulf Incorporated *Pari Passu*. After notice to the Lenders and other interested parties, on May 13, 2013, the Court entered an Order granting the Receiver’s motion.

8. The Receiver collected funds from the sale of certain of the Oceanside Units and from a settlement with Fidelity National Title Insurance Company. Upon notice and hearing, the Court authorized the Receiver to make a pro rata distribution of \$573,695 to the Gulf Island Lenders, Oceanside Lenders, and DBKN Lenders. The Receiver held back the sum of \$48,695 to cover future carrying costs (the “Holdback Funds”).

9. On February 12, 2018, this Court entered an Order granting the Receiver’s Motion to Approve the Sale of the Vacant Land for the sum of \$900,000. The Receiver now seeks authority to distribute the proceeds of the sale of the Vacant Land and the Holdback Funds to the Gulf Island Lenders, Oceanside Lenders, and DBKN Lenders on a pro rata basis. The proposed distribution is summarized in the spreadsheet attached to this Motion as Exhibit 1.

10. The Receivership Court has approved distributions of the proceeds of the sale of other properties and settlement funds and the Receiver recommends approval of the distributions described in this Motion.

11. Notice of this Motion shall be provided by posting copies of the Motion (and Notice of Hearing) on the Receivership website and sending the same to the Lenders via e-mail.

WHEREFORE, Michael I. Goldberg, in his capacity as Receiver of MAMC and related entities, respectfully requests this Court to enter an Order authorizing the distributions described in this Motion and to grant such further relief as is just and proper.

Respectfully submitted,

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By: /s/ Joan Levit

Joan M. Levit, Esquire

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this March 27, 2018, a true and correct copy of the forgoing was furnished to the parties on the attached Service List by U.S. mail, to the Lenders by e-mail and a copy of this motion will be posted on the receivership website.

/s/ Joan Levit

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EXHIBIT 1

Gulf Island Distribution

Available Funds

Bank Balance + Proceeds from Sale of DBKN Gulf \$ 965,321.11

Deductions

Rec. trust acct/legal 1/1/18-2/28/18	\$	(9,549.50)
Reserve (motion/court approval)	\$	(3,500.00)
Legal Due 5/1/15-12/31/17	\$	(21,631.14)
Accounting Reserve - Final tax return	\$	(750.00)
Total available for distribution	\$	929,890.47

Distribution allocation by Entity

	Pro Rata share	Outstanding Princ. Balance	% share
DBKN Gulf - 33.62%	\$ 312,607.51	\$800,013.16	33.62%
Oceanside 1st - 24.53%	\$ 228,108.75	\$583,767.17	24.53%
Oceanside 2nd - 22.07%	\$ 205,247.36	\$525,261.16	22.07%
Gulf Island - 19.78%	\$ 183,926.85	\$470,698.53	19.78%
Total	\$929,890.47	\$2,379,740.02	100.00%