

**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 REMAINING PARCEL
FROM THE MAMC BILOXI, LLC PROPERTY**

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 Remaining Parcel from the MAMC Biloxi, LLC Property* (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 in Biloxi, Mississippi.

3. DB Biloxi, LLC was one of the original Relief Defendants. DB Biloxi, LLC was a single purpose real estate development company owned by Dana Berman.¹ In April 2005, DB Biloxi, LLC purchased an eleven-acre parcel located at 2660 Beach Boulevard in Biloxi, Mississippi (the “Biloxi Property”) for \$10.4 million. Certain of the Lenders (the “Biloxi Lenders”) funded the purchase; the Biloxi Property secured payment of the loan.

4. The improvements to the Biloxi Property included a 140-unit apartment complex. However, the apartment complex suffered substantial damage in 2006 from Hurricane Katrina and was subsequently demolished.

5. The Biloxi Property was later subdivided into two parcels. The “Front Parcel” was comprised of three acres and the “Back Parcel” was comprised of eight acres. On October 8, 2009, this Court entered an Order approving the sale of 5.5 acres of the Back Parcel to Wal-Mart Stores, Inc. A senior lienholder foreclosed the Front Parcel, leaving 2.5 acres of the Back Parcel (the “Biloxi Parcel”) and a 50-foot access easement.

6. The Receiver transferred ownership of the Biloxi Parcel to MAMC Biloxi, LLC.

¹ DB Biloxi, LLC, DB Biloxi LLC, II and DB Biloxi III, LLC were original Relief Defendants. Each was a single purpose real estate development company owned by Dana Berman, which held property located in Biloxi, Mississippi. This Motion only relates to DB Biloxi, LLC. On September 23, 2009, the Court entered an Order Granting Receiver's Motion to Abandon Relief Defendant DB Biloxi III, LLC and to transfer any remaining funds held by DB Biloxi III, LLC to MAMC Biloxi III, LLC. On August 17, 2010, the Court entered an Order Granting Receiver's Motion to Abandon Relief Defendant DB Biloxi, II, LLC because the property had been transferred to GLP Properties, LLC by quit claim deed.

7. On September 19, 2012, upon motion, notice and hearing, the Court entered an Order expanding the receivership to include MAMC. Biloxi, LLC as a relief defendant. On the same date, the Receivership Court authorized the Receiver to retain a broker to market and sell the Biloxi Parcel. The real estate broker was unable to secure a buyer.

8. On June 21, 2017, the Court entered an Order granting the Receiver's Motion for Authority to Sell Certain Receivership Properties by Auction, including the Biloxi Parcel.

9. The Biloxi Parcel has been sold. After reimbursing the receivership for funds loaned to maintain the Biloxi Parcel, taxes and other costs, there remains \$254,539.93 from the proceeds of the sale to distribute to the Biloxi Lenders on a *pro rata* basis. (The Biloxi Lenders have already received a pro rata distribution of \$805,379.22 from the proceeds of the sale of a portion of the back parcel to Wal-Mart Stores, Inc. and \$391,971 from the proceeds of the Receiver's settlement of BMC's Specialty Errors and Omissions Liability Insurance Policy and a Miscellaneous Professional Liability Insurance Policy.) This distribution raises the Biloxi Lenders' recovery of their investment in the Biloxi Property up to 13.59%. See Exhibit 1 for a breakdown of the distribution.

10. The Receiver now seeks authority to distribute the proceeds of the sale of the Biloxi Parcel to the Biloxi Lenders.

11. 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.

12. 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
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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on this August 14, 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

DB BILOXI, LLC - EDGEWATER

Total LOANS \$ 10,465,000.00

431, 466 & FA1, 467 & FA1

PAST DISTRIBUTIONS

Sale to Walmart - Distribution	\$ 805,379.22
E & O Distribution	\$ 391,971.46

DISTRIBUTION - proceeds from auction/bank balance

Amount on draft Dist. Proposal	\$ 254,988.93	motion
Last maintenance payment	\$ (450.00)	
Available for Distribution	\$ 254,538.93	
DEDUCTIONS - Due to Berman/MAMC Rec. Estate		
Priority Loan	\$ (23,282.78)	
Priority Loan Interest	\$ (2,685.16)	
Legal	\$ (3,000.00)	
Reserve for Taxes, motion, & k-1 forms	\$ (1,200.00)	
Total deductions	\$ (30,167.94)	
Net to partners	\$ 224,370.99	

Total Recovered \$ 1,421,721.67

% recovery 13.59%