

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

STATE OF FLORIDA, OFFICE OF
FINANCIAL REGULATION,

CASE NO. 07-43672 CA 09

Plaintiff,

vs.

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

Defendants,

and

DB ATLANTA, LLC, a Florida Limited
Liability Company, *et al.*

Relief Defendants.

**RECEIVER'S SECOND MOTION FOR AUTHORIZATION
TO LOAN FUNDS TO THE ATLANTIC BEACH PROJECT**

Michael I. Goldberg ("Receiver"), as Court Appointed Receiver over Defendants Berman Mortgage Corporation ("BMC") and M.A.M.C. Incorporated ("MAMC") and Relief Defendants DB Atlanta, LLC, *et al.*, by and through undersigned counsel, files his Second Motion to Loan Funds to the Atlantic Beach Project. In support of this motion, the Receiver states as follow:

1. On December 11, 2007, this Court appointed Michael Goldberg as the receiver for BMC, MAMC and the Relief Defendants (collectively, the "Receivership Defendants") to prevent the waste and dissipation of the Receivership Defendants' assets.

2. During the real estate boom in the mid-2000's, BMC invested in 100 real estate projects and vacant properties, using \$192 million in funds loaned from approximately 640 individual lenders ("Lenders"). The loans were secured by the properties.

3. MAMC serviced the loans pursuant to servicing agreements entered into between the individual Lenders and MAMC. Initially, MAMC serviced about 100 mortgage loans.

4. In or about April, 2006, BMC raised \$9.65 million from 234 Lenders which funds were loaned to Atlantic Beach Oceanfront, LLC and Seventh Street Properties, LLC (collectively, the "Borrowers") and secured by a first mortgage ("Mortgage") on approximately 1.7 acres, located in Myrtle Beach, South Carolina (the "Atlantic Beach Project"). The loan, as modified, was serviced by MAMC.

5. The Borrowers defaulted under the loan documents and in 2008, the Receiver, commenced a foreclosure suit against the Borrowers and other parties in the Court of Common Pleas for South Carolina (the "Foreclosure Case"). The parties subsequently reached settlement, which was approved by this Court on August 18, 2011 (the "Settlement Order").

6. Pursuant to the Settlement Order, the Court approved the employment of Smith Moore Leatherwood LLP to pursue pending or possible claims against CB Richard Ellis and possibly other entities associated with CB Richard Ellis arising from negligent appraisal(s) of the Atlantic Beach property.

7. In the Settlement Order, the Court also authorized the Receiver to loan up to \$100,000 to the Atlantic Beach Project from money he holds in trust, for the purpose of funding a share of the litigation costs, payment of taxes and carrying costs to preserve the Atlantic Beach Project.

8. As the Court is aware, the Receiver previously settled a large malpractice claim against MAMC's former accountants. Pursuant to authority granted by this Court, the Receiver made a distribution of a portion of the malpractice settlement funds to investors.

9. With the Court's permission, the Receiver held back several million dollars of the malpractice settlement proceeds to fund future and current administrative expenses as well as to make loans to various projects on an as-needed basis.

10. The Receiver seeks authority from the Court to loan an additional \$150,000 to the Atlantic Beach Project from funds he holds in trust. The purpose of the loan is to continue to fund the Individual Lender's share of the litigation costs, payment of taxes and carrying costs to preserve the Atlantic Beach Project.

11. In addition to the funds approved in the Settlement Order, the Court has previously approved a \$100,000 loan, plus additional funds to cover taxes. However, as with the other loans approved by this Court, the loan is not being made merely based on need. Rather, a loan is only made to a project if the Receiver believes that there is a substantial likelihood that the project will ultimately be able to repay the loan, together with interest.

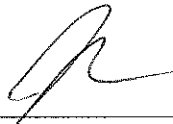
12. The Atlantic Beach Project will be charged interest at the rate of four percent (4%) per annum, simple interest. Currently, the funds are being held in the Receiver's law firm's trust account and are earning substantially less interest. Accordingly, making the loan is a win-win situation for the receivership estate which will earn better interest than it is currently earning.

13. The Receiver has consulted with the Executive Committee of Lenders and Atlantic Beach Project Committee, who believe making this loan is in the best interest of the receivership estate. The Receiver and the Atlantic Beach Lender Committee believe the loan is fully secured by the value of the Atlantic Beach Project. The loan, together with all accrued

interest, will be payable upon sale of the Atlantic Beach Project. Moreover, the Atlantic Beach Project will reimburse the receivership estate \$250 in costs incurred in obtaining approval of this loan. (This fee will be added to the outstanding loan balance.)

WHEREFORE, the Receiver requests the Court to authorize the Receiver to make a first priority loan to the Atlantic Beach Project and grant such other relief as is just and proper.


Respectfully submitted,



Joan Levit, Esq.
Florida Bar Number: 987530
AKERMAN SENTERFITT
Las Olas Centre II, Suite 1600
350 East Las Olas Boulevard
Fort Lauderdale, FL 33301-2999
Phone: (954) 463-2700/Fax: (954) 463-2224
Email: joan.levit@akerman.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Motion was furnished via e-mail and U.S. Mail to all parties on the attached Service List this 22 day of October, 2012 and was posted on the Receiver's website.

By: 
Michael I. Goldberg

SERVICE LIST

Cristina Saenz
Assistant General Counsel
STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION
401 N.W. 2nd Avenue, Suite N-708
Miami, FL 33128

Alan M. Sandler, Esquire
SANDLER & SANDLER
117 Aragon Avenue
Coral Gables, FL 33134

Charles W. Throckmorton, Esquire
Attorneys for Dana Berman
KOZYAK TROPIN THROCKMORTON, P.A.
2525 Ponce de Leon Boulevard, 9th Floor
Coral Gables, FL 33134

Paul Huck, Esquire
Dean C. Colson, Esquire
COLSON HICKS EIDSON
255 Aragon Avenue, Second Floor
Coral Gables, FL 33134

Jason S. Miller, Esquire
Counsel for Flagstar Bank
ADORNO & YOSS, LLP
2525 Ponce de Leon Boulevard, Suite 400
Coral Gables, FL 33134

Maurice Baumgarten, Esquire
ANANIA, BANDKLAYDER,
BLACKWELL, BAUMGARTEN,
TORRICELLA & STEIN
Bank of America Tower — Suite 4300
100 SE 2nd Street
Miami, FL 33131

Mark A. Basurto, Esquire and
Charles Evans Glausier, Esquire
Attorneys for Gulf Beach and Tennis Club
Condominium Association, Inc.
BUSH ROSS, P.A.
Post Office Box 3913
Tampa, Florida 33601-3913

Charles L. Neustein, Esquire
CHARLES L. NEUSTEIN, P.A.
777 Arthur Godfrey Road, Second
Floor Miami Beach, FL 33140

William Dufoe, Esquire
Robert W. Lang, Esquire
HOLLAND & KNIGHT, LLP
100 North Tampa Street, Suite
4100 Tampa, FL 33602

Deborah Poore Fitzgerald, Esquire
WALTON LANTAFF SCHROEDER &
CARSON, LLP
Corporate Center, Suite 2000
100 East Broward Boulevard
Fort Lauderdale, FL 33301

Peter Valori, Esquire
DAMIAN & VALORI, LLP
1000 Brickell Avenue, Suite 1020
Miami, FL 33131

Christopher S. Linde, Esquire
BURR FORMAN
450 S. Orange Avenue, Suite 200
Orlando, Florida 32801

James D. Gassenheimer, Esquire
Attorneys for Receiver, Michael Goldberg
BERGER SINGERMAN
1000 Wachovia Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131

Don Rosenberg, Esquire
PECKAR & ABRAMSON
One S.E. Third Avenue, Suite 3100
Miami, FL 33131