

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO.: 23-24903-CIV-JB**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RISHI KAPOOR, et al.,

Defendants.

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**RECEIVER’S MOTION TO APPROVE DISBURSEMENT OF VALENCIA  
LIEN CLAIM FUND PROCEEDS FROM SALE OF UNIT 1104**

Bernice C. Lee, as Receiver (“Receiver”) over the Receivership Companies,<sup>1</sup> seeks the entry of an Order, substantially in the same form as the proposed order attached hereto as **Exhibit A**, approving the disbursement of the net sale proceeds from the sale of Unit 1104 in the condominium building located at 515 Valencia Ave., Coral Gables, Florida 33134, and states in support:

**FACTUAL BACKGROUND**

**I. The Receivership Order**

1. On December 27, 2023, the Securities and Exchange Commission (“SEC”) filed a Complaint for Injunctive Relief against Rishi Kapoor and the Receivership Companies [DE 14-1] alleging that Kapoor used the Receivership Companies to operate a real estate scheme in violation

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<sup>1</sup> The “Receivership Companies” include: Location Ventures, LLC, URBIN, LLC, Patriots United, LLC; Location Properties, LLC; Location Development, LLC; Location Capital, LLC; Location Ventures Resources, LLC; Location Equity Holdings, LLC; Location GP Sponsor, LLC; 515 Valencia Sponsor, LLC; LV Montana Sponsor, LLC; URBIN Founders Group, LLC; URBIN CG Sponsor, LLC; 515 Valencia Partners, LLC; LV Montana Phase I, LLC; Stewart Grove 1, LLC; Stewart Grove 2, LLC; Location Zamora Parent, LLC; URBIN Coral Gables Partners, LLC; URBIN Coconut Grove Partners, LLC; URBIN Miami Beach Partners, LLC; and URBIN Miami Beach II Phase 1, LLC.

of the anti-fraud provisions of the federal securities law, raising approximately \$93 million from more than 50 investors from January 2018 through March 2023.

2. On January 5, 2024, the SEC filed an Expedited Motion for Appointment of Receiver, Asset Freeze, and Other Related Relief Against the Company Defendants and Memorandum of Law (the “Receiver Motion”) [DE 16] seeking the appointment of a receiver to *inter alia* administer the Receivership Companies’ assets.

3. On January 12, 2024, the Court entered an Order granting the Receiver Motion (the “Receivership Order”) [DE 28] and appointing Bernice C. Lee as receiver “for the estate of the Receivership Companies, including any of [their] divisions, subsidiaries, affiliates, successors, and assigns; and any fictitious business entities or business names created or used by the Receivership Companies, their divisions, subsidiaries, affiliates, successors, and assigns.” Receivership Order ¶ 2.

4. The Receivership Order defines “Receivership Property” and “Receivership Estate” as including “all property interests . . . of whatever kind, which the Receivership Defendants own, possess, have a beneficial interest in, or control directly or indirectly.” *See id.* ¶ 7.A.

5. The Receivership Order authorizes the Receiver to transfer or otherwise dispose of Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property. *See id.* ¶ 31.

6. The Receiver is further authorized to sell real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such

real property, and is authorized to sell, and transfer clear title to, all real property in the Receivership Estate pursuant to such procedures as may be required by the Court and additional authority such as 28 U.S.C. sections 2001 and 2004. *See id.* ¶ 32–33.

7. Under the Receivership Order, the Receiver is “authorized, empowered, and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property[.]” *See id.* ¶ 46.

8. On January 23, 2024, the SEC, Receiver and Kapoor entered into the Stipulation Waiving Requirements of 28 U.S.C. § 2001(a) and (b) in Connection with Real Property Sale Motions [DE 48]. On January 24, 2024, the Court entered an Order approving the parties’ stipulation and explicitly stated that “[t]he Receiver is excused from compliance with 28 U.S.C. section 2001 in connection with the sale of real property in this case.” [DE 51].

## **II. The Sale of Unit 1104, Valencia Lien Claim Fund and Lenders and Lien Claimants**

9. On August 29, 2024, the Court entered the Order Granting Receiver’s Expedited Motion to approve Sale of Valencia Unit 1104 Property Free and Clear (the “Sale Order”) [DE 216] that: (a) approved the sale of Unit 1104 owned by 515 Valencia SPE, LLC (“Valencia SPE”), a wholly owned subsidiary of 515 Valencia Partners, LLC, a receivership company, free and clear of any liens, claims, interests and encumbrances; (b) authorized the Receiver to pay real estate taxes and the seller’s fees and costs under the sale contract; and (c) authorized the Receiver to separately account for the remaining net proceeds (the “Valencia Lien Claim Fund”).

10. The Sale Order further provides in part that:

The Receiver will file an appropriate pleading or motion to address the proposed allocation and disbursement of the Net Sale Proceeds at a later date, with notice to be provided to all lien claimants known to the Receiver who may assert a lien claim and/or object to the distribution or allocation of the Valencia Lien Claim Fund. The Court will thereafter set a briefing schedule and make a final determination regarding the allocation and distribution

of funds from the Valencia Lien Claim Fund.

See ¶ 10.

11. On November 1, 2024, the Receiver and buyer closed on the sale. The buyer paid the: (a) \$3,960,000 sale price; (b) \$50,000 additional purchase fee; and (c) \$1,591.91 to reimburse the receivership estate for electrical bills paid by the estate while the sale contract was pending. The receivership estate paid: (a) \$31,595.93 for pro-rated real estate taxes for January 1, 2024, through November 1, 2024; (b) \$5.67 for other taxes; (c) \$12,475 for owner's title insurance; (d) \$23,896.50 for recording fees; and (e) \$1,385 for lien letters and lien and title searches. The total of the sale price and additional purchase fee is \$4,010,000, and the seller amounts paid at closing total \$69,358.10. After, the closing agent provided a check for \$50.00 as additional seller proceeds for an overage for recording fees. The Valencia Lien Claim Fund has a balance of \$3,940,691.90.

12. Unit 1104 is encumbered by a senior mortgage in favor of 515 Valencia Acquisition, LLC (the "Lender"). On November 8, 2023, the Lender filed a foreclosure action against Valencia SPE, in the Circuit Court for Miami-Dade County, Case No.: 2023-026195-CA-01, in which the Lender seeks 24.99% default interest and names a junior lender and lien claimants as defendants. A copy of the complaint is attached as Exhibit 5 to the Receiver's Expedited Motion to Approve Sale of Valencia Unit 1104 Property Free and Clear [DE 208] filed on August 21, 2024.

13. The Lender, through its predecessor in interest 2EE, LLC ("2EE"), provided loans to Valencia SPE secured by mortgages on the Valencia Building condominium units. The Lender alleged that on August 12, 2023, Valencia SPE failed to make a monthly payment and continued to fail to make monthly payments, and that as of November 8, 2023, Lender was owed "\$3,750,000.00, together with accrued interest in the amount of \$223,458.90, for a total sum of

\$3,973,458.90 under the Loan, exclusive of costs and attorneys' fees and continued accrued interest[.]” *See* Compl. ¶ 41, 43.

14. The Complaint alleges that: (a) on April 4, 2018, Valencia SPE received a \$12,000,00 loan from Valencia 34, LLC, a mortgage to secure the loan was recorded on April 9, 2018, at Book 30930, Page 2665 (*see* Exhibit B-1 of Complaint), and the loan was reduced to \$9,350,000 on April 30, 2019; (b) the foregoing note was assigned to Altamar Financial Group LLC (*see* Exhibit H-1 of Complaint), who on July 3, 2019, made a future advance loan under the initial loan documents in the principal amount of \$2,650,000 which increased the principal amount to \$12,000,000, an amended and restated mortgage to secure the note was recorded on July 12, 2019, at Book 31520, Page 2916 (*see* Exhibit B-3 of Complaint), and the Halpern Family Trust executed a subordination of mortgage agreeing that its lien and mortgage will be subordinate to Altamar Financial Group LLC's interest, as well as any future advances that may be made, which was recorded on July 12, 2019, Book 31520, Page 2936 (*see* Exhibit G-1 of Complaint); and (c) the foregoing note was assigned to 2EE (*see* Exhibit H-2 of Complaint), who on November 10, 2020, made a future advance loan under the initial loan documents in the principal amount of \$23,000,000 (*see* Exhibit A-2 to Complaint) which increased the principal amount of the loan to \$35,000,000, a second amended and restated mortgage was recorded November 20, 2020, Book 32204, Page 1596 (*see* Exhibit B-4 of Complaint), and the Halpern Family Trust executed in favor of 2EE a subordination of mortgage agreeing that its lien and mortgage is subordinate to 2EE's interest, which was recorded on December 14, 2020, Book 32236, Page 2390 (*see* Exhibit G-3 of Complaint). *See* Compl. ¶ 28–32.

15. The Complaint states that Valencia SPE paid down the principal balance of the loan to \$1,058,039.12. *Id.* at ¶ 31.

16. The Complaint further states that on January 12, 2023, 2EE assigned the note to RLC Funding LLC, which assignment was recorded on January 17, 2023, Book 33544, Page 1124-1126 (*see* Exhibit H-3 of Complaint), RLC Funding LLC made a future advance under the loan documents in the principal amount of \$2,691,960.88 secured by the original mortgage (*see* Exhibit A-3 to Complaint), which increased the total principal to \$3,750,000, Valencia SPE executed a consolidated and replacement promissory note in the principal amount of \$3,750,000 secured by the original mortgage (*see* Exhibit A-4 to Complaint), and the Halpern Family Trust executed in favor of RLC Funding LLC a subordination of mortgage agreeing that its lien and mortgage is subordinate to RLC Funding LLC's interest, which was recorded on January 17, 2023, Book 33544, Page 1139-1144 (*see* Exhibit G-3 of Complaint). *Id.* at ¶ 32.

17. The Complaint also states that the Lender has been assigned all of the foregoing notes and is the holder and beneficial owner of the instruments. *Id.* at ¶ 33. On September 13, 2023, RLC Funding LLC executed in favor of 515 Valencia Acquisition, LLC an assignment of second amended and restated mortgage, which was recorded on September 22, 2023, Book 33896, Page 684 (*see* Exhibit H-4 of Complaint), and an omnibus assignment of loan documents (*see id.*).

18. The Lender provided payoff information to the Receiver that represented \$3,750,000 in principal and \$1,068,067.52 in interest was due as of August 31, 2024. The payoff further states that the per diem rate at 24.99% default interest is \$2,567.47. The payoff also includes other amounts for property taxes paid, and attorneys' fees and costs.

19. The records available to the Receiver indicate that on January 12, 2023 funding proceeds from RLC Funding LLC in the amount of \$2,610,819.02 was provided by Jeffrey E. Levey P.A. to Goodkind & Florio, P.A.'s trust account, a law firm that represented the Receivership Companies and served as the closing agent for financing and real estate transactions.

20. The following parties recorded mortgages, liens, *lis pendens*, notices of commencements and claims against the 1104 Unit:

- a. The mortgage from Valencia SPE in favor of Valencia 34, LLC, recorded on April 9, 2018 in Book 30930, Page 2665, amended and restated recorded on July 12, 2019 in Book 31520, Page 2916, Second Amended and restated in Book 32204, Page 1596, Loan Extension and Modification Agreement in Book 31432, Page 1827, Subordination Agreement in Book 32236, Page 2390, as assigned to RLC Funding LLC, a Florida limited liability company, in Book 33544, Page 1124 and Notice of Future Advance recorded in Book 33544, Page 1127, as assigned to Altamar Financial Group, LLC the Assignment of Mortgage recorded on July 12, 2019 at Book 31520, Page 2914, and further assigned to Lender by instrument at Book 33896, Page 684;
- b. The mortgage from Valencia SPE in favor of the Halpern Family Trust, a Florida statutory trust, recorded on June 3, 2019 in Book 31467, Page 168, as subordinated in Book 31520, Page 2936 and in Book 31520, Page 2959, as Amended and Restated in Book 31833, Page 4919, Second Amended and Restated in Book 32199, Page 1845, Third Amended and Restated in Book 32507, Page 3478 and Fourth Amended and Restated in Book 32553, Page 36 and Subordination of Mortgage in Book 33544, Page 1139;
- c. UCC-1 Financing Statement naming Altamar Financial Group, LLC as secured party and Valencia SPE as debtor recorded on July 12, 2019, in Book 31520, Page 2938;
- d. UCC-1 Financing Statement naming 2EE LLC as secured party and Valencia SPE as debtor, recorded on November 20, 2020, in Book 32204, Page 1625 and assignment recorded in Book 33896 Page 684;
- e. Claim of lien recorded by J & P Tiles, Inc. on June 16, 2023, in Book 33752, Page 1628;
- f. Claim of lien recorded by Paramount Finishes LLC on July 3, 2023, in Book 33776, Page 3948;
- g. Claim of lien recorded by Paragon Painting & Waterproofing Inc. on July 7, 2023, in Book 33783, Page 631;
- h. Claim of lien for Winmar Construction Inc., recorded July 7, 2023, in Book 33783, Page 2919; Book 33783, Page 2925;
- i. Claim of lien recorded by Pronto Waste Service Inc. on July 19, 2023, in Book 33799, Page 4714;

- j. Claim of lien recorded by AWM Group LLC on July 26, 2023, in Book 33808, Page 1780;
- k. Claim of lien recorded by AM Studio Design LLC on July 26, 2023, in Book 33808, Page 2790; Book 33808, Page 2791
- l. Claim of lien recorded by DDA Engineers, P.A. on July 3, 2023, in Book 33776, Page 2575;
- m. Claim of lien recorded by Metropolitan Plumbing, Inc. on July 27, 2023, in Book 33812, Page 1901;
- n. Claim of lien recorded by A 1 A Sod, Sand & Soil, Inc. on June 27, 2023, in Book 33767 Page 4206;
- o. Claim of lien recorded by Asinet, Inc. on December 15, 2023, in Book 34010 Page 4732;
- p. Claim of lien recorded by TWR Engineers, Inc. on September 12, 2023, in Book 33875 Page 2451
- q. Claim of Lien in favor of 515 Valencia Condominium Association, Inc., recorded on October 10, 2023, in Book 33918 Page 1269;
- r. Notice(s) of Commencement recorded on June 21, 2023, in Book 33757, Page 3173, and Book 33757, Page 4087 both in favor of Winmar Construction, Inc.;
- s. Notice of Lis Pendens recorded on August 1, 2023, in Book 33817, Page 4393, and Case No. 2023-0120161-Ca-01, styled *Paramount Finishes, LLC v. 515 Valencia SPE, LLC*;
- t. Notice of Lis Pendens recorded on November 14, 2023 in Book 33966 Page 209 and Book 33968 Page 1130, and Case No. 2023-026087-CA-01, styled *J & P Tiles, Inc., a Florida for Profit Corporation v. 515 Valencia SPE, LLC, a Florida Limited Liability Company*; and
- u. Notice of Lis Pendens recorded on November 14, 2023 in Book 33966 Page 4807, and Case No. 2023-026195-CA-01, styled *515 Valencia Acquisition LLC, a Florida limited liability company v. 515 Valencia SPE, LLC, et al.*

21. The Receiver submits that to the best of her knowledge all lien claimants will receive notice of the Motion. As reflected in the service list below, the Receiver is providing notice of the Motion on: (a) all claimants listed above who recorded a lien or *lis pendens*; and (b) all other



parties the Receiver included in the service list for the Receiver's Expedited Motion to Approve Sale of Valencia Unit 1104 Property Free and Clear [DE 208], except for individual unit owners who have not recorded a lien or *lis pendens*.

22. Through the Motion, the Receiver seeks to disburse the net proceeds of \$3,940,691.90 in the Valencia Lien Claim Fund to the Lender. The payment will significantly reduce the Lender's secured claim against the remaining Units 1201, 1202 and 1301 in the Valencia Building that remain to be administered by the Receiver (the "Remaining Units") and reduce the asserted accrual of additional interest and thus increases the likelihood of greater payments to the junior lender, lien claimants and potentially, investors. The Receiver believes that the proposed distribution is in the best interest of the receivership estate.

#### **MEMORANDUM OF LAW**

"The district court has broad powers and wide discretion to determine relief in an equity receivership." *S.E.C. v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992) (citations omitted). "This discretion derives from the inherent powers of an equity court to fashion relief." *Id.* The Court's broad powers and wide discretion to determine relief in an equity receivership encompass granting relief with respect to the disbursement of funds from the sale of real property. "Consequently, any 'action by a trial court in supervising an equity receivership is committed to [her] sound discretion and will not be disturbed unless there is a clear showing of abuse.'" *SEC v. TCA Fund Mgmt. Grp. Corp.*, 2022 WL 3334488, at \*14 (S.D. Fla. Aug. 4, 2022) (Altonaga, C.J.) (*quoting Bendall v. Lancer Mgmt. Grp., LLC*, 523 F. App'x 554, 557 (11th Cir. 2013)), *appeal dismissed*, No. 22-13412, 2024 WL 448385 (11th Cir. Feb. 6, 2024).

The proposed distribution is fair and reasonable given the circumstances. The Lender provided the Receiver with a payoff that represented \$3,750,000 in principal and \$1,068,067.52 in

interest was due as of August 31, 2024, which totals \$4,818,068, and \$2,567.47 as the per diem rate at 24.99% default interest. The payment of \$3,940,691.90 from the net proceeds in the Valencia Lien Claim Fund to the Lender will substantially reduce the debt owed to the Lender and thus reduce any additional interest the Lender may assert. The Lender's current claimed default rate totals approximately \$930,000 a year and \$78,000 per month. Assuming a reduced principal balance of \$1,500,000, the Lender's asserted default rate could total only \$374,850 per year. This reduction increases the likelihood of greater payments to the junior lender, lien holders, and, potentially, investors. The initial mortgage for the Lender's debt was recorded April 9, 2018, before the mortgages, liens, and *lis pendens* recorded by the other claimants listed above. The Receiver has not reached an agreement with the Lender as to the total amount owed to the Lender under the loan documents, such as accrued and unpaid interest, attorneys' fees, and other expenses and costs, and the Receiver reserves all rights with respect to such amounts and application of payments to such amounts, including without limitation with regard to any surcharge or other recovery of costs and expenses incurred by the Receiver and her professionals in connection with administering the Valencia Building properties.

The Receiver is aware that the Halpern Family Trust may raise claims against the Lender under the subordination agreement between the Halpern Family Trust and the Lender. While the Receiver and the Halpern parties have been engaged in settlement discussions, no final agreement has been reached, and it is possible that the Halpern Family Trust will oppose the Receiver's proposed distribution of funds to the Lender. In the event such an opposition is filed, the Receiver will address the opposition in her reply.

**WHEREFORE**, the Receiver respectfully requests that the Court enter an order substantially in the same form as the proposed order attached hereto as Exhibit A: (a) granting the

Motion; (b) approving the Receiver's proposed distribution and authorizing the Receiver to pay \$3,940,691.90 from the net proceeds in the Valencia Lien Claim Fund to the Lender upon entry of the Order granting the Motion; and (c) granting such other and further relief as the Court deems just and proper.

**CERTIFICATION OF CONFERENCE WITH COUNSEL**

Counsel for the SEC and counsel for defendant Rishi Kapoor have informed undersigned counsel that they have no objection to the relief requested herein.

Respectfully submitted,

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By: /s/ David L. Rosendorf  
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*Counsel for Bernice C. Lee, Receiver*

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been served this 24<sup>th</sup> day of March, 2025 via CM/ECF upon all counsel of record and via email and/or U.S. mail on the following lienholders, tenants and interested parties listed in the Service List.

By: /s/ David L. Rosendorf  
David L. Rosendorf

**SERVICE LIST**

**Via electronic email**

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**Via U.S. mail**

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# **Exhibit A**



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 23-cv-24903-CIV-JB

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

RISHI KAPOOR; *et al.*,

Defendants.

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**ORDER GRANTING RECEIVER'S MOTION TO APPROVE  
DISBURSEMENT OF VALENCIA LIEN CLAIM FUND  
PROCEEDS FROM SALE OF UNIT 1104**

**THIS CAUSE** came before the Court upon the Receiver, Bernice C. Lee's, Motion to Approve Disbursement of Valencia Lien Claim Fund Proceeds from Sale of Unit 1104 (the "Motion"). ECF No. [\_\_\_\_]. The Court has carefully considered the Motion, as well as the pertinent portions of the record and the relevant legal authorities. For the reasons explained more fully below, the Motion is **GRANTED**.

**I. BACKGROUND**

On December 27, 2023, the Securities and Exchange Commission ("SEC") filed a Complaint for Injunctive Relief against Rishi Kapoor ("Kapoor") and the Receivership Companies alleging that Kapoor used the Receivership Companies to operate a real estate scheme in violation of the anti-fraud provisions of the federal securities law raising approximately \$93 million from more than 50 investors from January 2018 through March 2023. *See generally* Complaint, ECF No. [14-1]. On January 12, 2024, the Court entered an Order appointing Bernice C. Lee as Receiver "for the estate of the Receivership Companies, including any of [their] divisions, subsidiaries,

affiliates, successors, and assigns; and any fictitious business entities or business names created or used by the Receivership Companies, their divisions, subsidiaries, affiliates, successors, and assigns.” (“Receivership Order”). ECF No. [28] at ¶ 2.

The Receivership Order authorizes the Receiver to sell real property in the Receivership Estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property. *Id.* at ¶ 32. The Receivership Order further provides that “[u]pon further Order of the Court, pursuant to such procedures as may be required by the Court and additional authority such as 28 U.S.C. sections 2001 and 2004, the Receiver is authorized to sell, and transfer clear title to, all real property in the Receivership Estate.” *Id.* at ¶ 33.

On January 24, 2024, the Court entered an Order approving the parties’ Stipulation Waiving Requirements of 28 U.S.C. § 2001(a) and (b) in Connection with Real Property Sale Motion. ECF No. [51]. The Order provides that “[t]he Receiver is excused from compliance with 28 U.S.C. section 2001 in connection with the sale of real property in this case.” ECF No. [51].

On August 29, 2024, the Court entered the Order Granting Receiver’s Expedited Motion to approve Sale of Valencia Unit 1104 Property Free and Clear (the “Sale Order”) that: (a) approved the sale of Unit 1104 owned by 515 Valencia SPE, LLC (“Valencia SPE”), a wholly owned subsidiary of 515 Valencia Partners, LLC, a Receivership Company, free and clear of any liens, claims, interests and encumbrances; (b) authorized the Receiver to pay real estate taxes and the seller’s fees and costs under the sale contract; and (c) authorized the Receiver to separately account for the remaining net proceeds (the “Valencia Lien Claim Fund”). ECF No. 216. The Sale Order further provided that the Receiver will file an appropriate pleading or motion with the Court to address the proposed allocation and distribution of the net sale parties. *Id.* at ¶ 10.

The Receiver has advised the Court that on November 1, 2024, the sale closed, and the buyer paid the: (a) \$3,960,000 sale price; (b) \$50,000 additional purchase fee; and (c) \$1,591.91 to reimburse the receivership estate for electrical bills paid by the estate while the sale contract was pending. *See* Motion at ¶ 11. The receivership estate paid: (a) \$31,595.93 for pro-rated real estate taxes for January 1, 2024, through November 1, 2024; (b) \$5.67 for other taxes; (c) \$12,475 for owner’s title insurance; (d) \$23,896.50 for recording fees; and (e) \$1,385 for lien letters and lien and title searches. *Id.* The total of the sale price and additional purchase fee is \$4,010,000, and the seller amounts paid at closing total \$69,358.10. *Id.* After, the closing agent provided a check for \$50.00 as additional seller proceeds for an overage for recording fees. *Id.* The Valencia Lien Claim Fund has a balance of \$3,940,691.90. *Id.*

Unit 1104 is encumbered by a senior mortgage in favor of 515 Valencia Acquisition, LLC (the “Lender”), and its predecessor in interest 2EE, LLC (“2EE”) provided loans to Valencia SPE secured by mortgages on the Valencia Building condominium units. *Id.* at ¶ 12–13. In November 2023, the Lender filed a foreclosure action for \$3,750,000 in unpaid principal and seeking 24.99% default interest. *Id.* The Lender provided the Receiver payoff information that represented \$3,750,000 in principal and \$1,068,067.52 in interest was due as of August 31, 2024, and the per diem rate at 24.99% default interest is \$2,567.47. *Id.* at ¶ 18. The initial mortgage for the Lender’s debt was recorded April 9, 2018, and the amended and restated mortgage was recorded on July 12, 2019, before the claim of liens recorded by the other claimants. *Id.* at ¶ 20.

## II. ANALYSIS

“The district court has broad powers and wide discretion to determine relief in an equity receivership.” *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992) (citations omitted). “This discretion derives from the inherent powers of an equity court to fashion relief.” *Id.* The Court’s

broad powers and wide discretion to determine relief in an equity receivership encompass granting relief with respect to the disbursement of funds from the sale of real property. Under the Receivership Order, the Receiver is “authorized, empowered, and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property[.]” See id. ¶ 46.

The Receiver has shown that the proposed distribution is fair and reasonable given the circumstances. The Lender provided the Receiver with a payoff that represented \$3,750,000 in principal and \$1,068,067.52 in interest was due as of August 31, 2024, which totals \$4,818,068, and \$2,567.47 as the per diem rate at 24.99% default interest. The payment of \$3,940,691.90 from the net proceeds in the Valencia Lien Claim Fund will substantially reduce the debt owed to the Lender, and thus reduce any additional interest the Lender may assert. This reduction increases the likelihood of greater payments to the junior lender, lien holders, and, potentially, investors. The Receiver reserves all rights with respect to the total amount the Lender may claim is owed under the loan documents, such as accrued and unpaid interest, attorneys’ fees, and other expenses and costs, and application of payments to such amounts.

### **III. CONCLUSION**

For the foregoing reasons, and finding that good cause exists, it is hereby **ORDERED AND ADJUDGED** as follows:

1. The Receiver’s Motion, ECF No. [\_\_\_\_], is **GRANTED**.
2. All interested parties listed in the service list for the Motion, and any other interested parties that have otherwise received notice of the Motion, have had the opportunity to object to the relief granted by this Order and, to the extent that any objections have not been withdrawn or resolved by stipulation prior to the entry of

this Order or are not resolved by the relief granted herein or as stated herein or in the record, all such objections are hereby overruled.

3. The Receiver's proposed distribution of the net sale proceeds from the Valencia Lien Claim Fund is **APPROVED**.
4. The Receiver is authorized to disburse the \$3,940,691.90 to the Lender upon entry of this Order.

**DONE AND ORDERED** in Miami, Florida this \_\_\_\_ day of \_\_\_\_\_, 2025.

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**JAC UELINE BECERRA**  
**UNITED STATES DISTRICT JUDGE**