

**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.

/

**RECEIVER'S MOTION FOR AUTHORIZATION TO EXPAND
EMPLOYMENT OF REAL ESTATE BROKER FOR ADDITIONAL
VILLA VALENCIA CONDOMINIUM UNITS**

Bernice C. Lee, as Receiver ("Receiver") over the companies¹ listed herein (collectively, the "Receivership Companies") in this action, applies for authority to expand the employment of Josephine Wang, CIPS, and the firm of Brown Harris Stevens (together, the "Broker"), as a broker to assist the Receiver with the sale of certain real property in Coral Gables, and states:

BACKGROUND

1. On December 27, 2023, the Securities and Exchange Commission ("SEC") filed an Emergency *Ex Parte* Motion for Asset Freeze and Other Relief [DE 6] under seal commencing this proceeding against Rishi Kapoor and the Receivership Companies, to ensure that a disgorgement award can be satisfied and to prevent further dissipation of investor funds and

¹ 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.

potentially other assets out of the Court's reach.

2. On January 12, 2024, the Court entered an Order [DE 28] ("Receivership Order") appointing Ms. Lee as Receiver over the Receivership Companies.

3. Pursuant to the Receivership Order, the Receiver is directed *inter alia* to take exclusive control and possession of all assets of whatever kind and wherever situated of the Receivership Companies (the "Receivership Estate"); is authorized to exercise the powers previously possessed by the officers, directors, managers, trustees and agents of the Receivership Companies; has the power and duty to use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Companies; to take into custody, control and possession all Receivership Property and records relevant thereto; to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Companies; and to investigate the manner in which the financial and business affairs of the Receivership Companies were conducted.

4. Pursuant to Paragraph 7.F of the Receivership Order, the Receiver is authorized to "engage and employ persons in her discretion to assist her in carrying out her duties and responsibilities, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders, or auctioneers[.]"

5. Pursuant to Paragraph 51 of the Receivership Order, the Receiver, subject to obtaining Court approval of quarterly fee applications, is authorized to solicit persons and entities ("Retained Personnel") to assist in carrying out the duties and responsibilities described in the Order. Paragraph 52 of the Receivership Order provides that subject to prior approval by the Court, Retained Personnel are entitled to reasonable compensation and expense reimbursement.

THE VILLA VALENCIA PROPERTIES AND PRIOR ENGAEMENT OF BROKER

6. 515 Valencia Partners, LLC (“Valencia Partners”) and Location Ventures, LLC (“Location Ventures”) are Receivership Companies. Valencia Partners is the 100% owner of 515 Valencia SPE, LLC (“Valencia SPE”). The 2023 Annual Report filed by Valencia SPE with the Florida Division of Corporation indicates that Location Ventures is the manager of Valencia SPE.

7. Valencia SPE presently owns Units 1201, 1202 and 1301 in a condominium building located at 515 Valencia Ave., Coral Gables, Florida 33134 (each, a “Unit” and collectively, the “Units”).² Valencia SPE also owns rights in three private garages (PG-03, PG-06 and PG-07), two pool cabanas (cabana 3 and cabana 5), and certain parking spaces. The Units are unfinished with no interior walls.

8. Prior to the SEC action and receivership, Valencia SPE entered into a purchase agreement with certain individuals for Unit 1201 and Unit 1202. The pre-receivership purchase agreements have outside closing deadlines that have passed.

9. The Receiver has filed a Motion to Approve Stipulation [DE 356] with respect to the pre-receivership agreement for Unit 1201 under which the purchaser, Receiver, escrow agent and surety have agreed to certain terms for the purchaser to recover the initial 10% deposit against the bond and terminate the purchase agreement. The motion is currently pending before the Court.

10. The Receiver previously sought to employ the Broker for Unit 1301, and on July 3, 2024, the Court entered the Order Granting Receiver’s Motion for Authorization of Employment of Real Estate Broker for Villa Valencia Condominium Unit [DE 189].

11. Through this Motion, the Receiver seeks to expand the Broker’s employment for the sale of Unit 1201 and Unit 1202. The Broker has agreed to a reduced commission under the

² Unit 1104 is a finished Unit, which the Receiver was able to sell without a broker.

following terms (the “Proposed Engagement”):

- a) Except as set forth below, if there is a sale of Unit 1201 or Unit 1202 to a purchaser procured by the Broker, which sale is approved by the Court and closes, the Broker will be entitled to a 2.75% commission to be paid solely and exclusively from such Unit’s closing proceeds at closing and shall otherwise be without recourse to the Receivership Estate and Receivership Companies (the “Commission”). The Broker will offer a licensed buyer’s broker (“Buyer’s Broker”) the following portion of the Commission as its real estate commission if its buyer’s sale contract is approved by the Court and the buyer closes on the sale of Unit 1201 or Unit 1202: (i) the Broker will receive 1.25% of the Commission, and (ii) the Buyer’s Broker will receive 1.5% of the Commission. If there is no Buyer’s Broker involved in the sale of Unit 1201 or Unit 1202, the Receiver will retain 1.25% of the Commission; provided that, if there is no Buyer’s Broker and the Broker brings in a buyer whose sale contract is approved by the Court and closes on the sale of Unit 1201 or Unit 1202, the Broker will receive an additional 0.25% for a total of 1.5% of the Commission, and the Receiver will retain 1.25% of the Commission.
- b) Notwithstanding the foregoing, in the event the buyer that closes on the sale of Unit 1201 or Unit 1202 is one of the purchasers under the pre-receivership purchase agreements, a lender with a claim against Unit 1201 and/or Unit 1202, or a buyer not procured by the Broker (including a buyer the Receiver dealt with prior to the Broker’s expanded employment), or their assignees or other related party, the Broker will not be entitled to any commission. Further, in the event the Receiver administers Unit 1201 or Unit 1202 in a different manner, the Broker will not be entitled to any commission. The Broker understands that the Receiver has had discussions with the foregoing parties regarding a

possible resolution that may include an “as is where is” sale.

- c) In the event the buyer that closes on the sale of Unit 1201 or Unit 1202 is one of the purchasers under the pre-receivership purchase agreements, the Broker will be entitled to reimbursement of up to \$15,000 for out-of-pocket marketing expenses to be paid from the sale proceeds upon the closing of a sale of Unit 1201 or Unit 1202 that has been approved by the Court and closes, and shall otherwise be without recourse to the Receivership Estate and Receivership Companies.
- d) The Broker has agreed that any disputes relating to the Proposed Engagement will be subject to the jurisdiction of, and adjudicated by, the Court that appointed the Receiver.
- e) Any and all Commission or reimbursement of marketing expenses to be paid shall be paid only upon closing and funding of the subject transaction, and only from the proceeds of the subject transaction.
- f) The Receiver retains the right to terminate the engagement of the Broker with respect to Unit 1201 or Unit 1202 upon 30 days’ notice to the Broker after 180 days from the entry of the order approving this Motion, unless such Unit is under contract to be sold. The Receiver retains the right to administer Unit 1201 or Unit 1202 through another process other than a sale of Unit 1201 or Unit 1202.
- g) The sale or other disposition of Unit 1201 and Unit 1202 is subject to the Court’s approval. With respect to Unit 1201 and Unit 1202, the Broker will not be entitled to any fee, commission or other compensation in the event the sale of such Unit fails to close for any reason whatsoever.

12. Ms. Wang is a highly regarded real estate professional, and in particular the luxury market, and has worked with multi-million residences in Miami since 1990, closed over \$2.9

billion in sales, and an extensive portfolio of clients throughout South Florida, nationally and internationally.

13. As set forth in the Broker's Affidavit attached as Exhibit C to the Receiver's Expedited Motion to Approve Sale of Villa Valencia Unit 1104 Property Free and Clear [DE 187], and except for the Receiver's employment of the Broker for Unit 1301, the Broker is disinterested and has represented to the Receiver that it and its related parties: (a) are not investors in, or creditors of, the Receivership Companies, or their subsidiaries or affiliates, (b) have never been a director, officer, manager, member, investor, employee or agent of the Receivership Companies, or their subsidiaries or affiliates, and (c) have no direct or indirect relationship to, connection with, or interest in, the Receivership Companies, their subsidiaries or affiliates, or Rishi Kapoor.

WHEREFORE, the Receiver respectfully requests that this Court enter an order substantially in the same form as the proposed order attached hereto as **Exhibit A**: (a) approving the Receiver's employment of Josephine Wang, CIPS, and the firm of Brown Harris Stevens as her broker for Unit 1201 or Unit 1202 upon the terms and conditions set forth herein, (b) authorizing the Receiver to enter into the Proposed Engagement, and (c) granting such other such relief as the Court deems just and appropriate.

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.

[signature on following page]

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 via CM/ECF upon all counsel of record this 2nd day of April, 2025.

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

EXHIBIT A

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

CASE NO.: 23-24903-CIV-JB

SECURITIES AND EXCHANGE COMMISSION,

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**ORDER GRANTING RECEIVER'S MOTION FOR AUTHORIZATION
TO EXPAND EMPLOYMENT OF REAL ESTATE BROKER FOR
ADDITIONAL VILLA VALENCIA CONDOMINIUM UNITS**

THIS CAUSE came before the Court upon Bernice C. Lee's Motion for Authorization to Expand Employment of Real Estate Broker for Additional Villa Valencia Condominium Units. ECF No. [____]. Upon due consideration of the Motion, and finding that good cause exists, it is hereby **ORDERED AND ADJUDGED** that the Receiver's Motion, ECF No. [____], is **GRANTED**. The Receiver is authorized to enter into the Proposed Engagement described in the Motion for Unit 1201 and Unit 1202 (as defined in the Motion), and the Proposed Engagement is approved. The Receiver is authorized to employ Josephine Wang, CIPS, and the firm of Brown Harris Stevens as her real estate broker to assist with the sale of the real property described in the Receiver's Motion.

DONE AND ORDERED in Miami, Florida this ____ day of _____, 2025.

**JACQUELINE BECERRA
UNITED STATES DISTRICT JUDGE**