

**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 STATUS REPORT FOR MAY 19, 2025 HEARING**

Bernice C. Lee, the Receiver (the “Receiver”) appointed by the Court’s Order [DE 28] (“Receivership Order”) entered on January 12, 2024, submits her Status Report to provide the Court with an update on the properties that remain to be sold, the efforts made to effectuate a sale, and a schedule of pending motions, responses, objections and related documents. The Court has set a status conference on all pending motions for May 19, 2025 [DE 416].

**I. Remaining Properties**

**A. Commodore Properties**

Urbin Coconut Grove Partners, LLC is the 100% owner and/or manager of four entities that own real property and/or leasehold rights in properties located on Commodore Plaza in Coconut Grove, Miami: (1) Urbin Commodore Residential SPE, LLC owns 29 condominium or retail units in a building located at 3162 Commodore Plaza, Miami, FL 33133, (2) Urbin Commodore Residential II SPE, LLC owns a parcel, folio no. 01-4121-047-0060, with an address of 3170 Commodore Plaza, Miami, FL 33133, and is the lessee under a ground lease with Dharma Studio, Inc. for real property located at 3166 Commodore Plaza, Miami, FL 33133, folio no. 01-4121-047-0070, (3) Urbin Commodore SPE, LLC is a lessee under a ground lease with TB 3138

Commodore Investments, LLC for real property located at 3138 Commodore Plaza, Miami, FL 33133, folio no. 01-4121-047-0130, and (4) Urbin Commodore Restaurant SPE, LLC is the lessee under a ground lease with TB 3138 Commodore Investments, LLC for real property located at 3120 Commodore Plaza, Miami, FL 33133, folio no. 01-4121-047-0120.

**i. The CG Investors' Motion for Reconsideration of the Halpern Settlement Order**

On January 30, 2025, the Court entered an Order Granting Receiver's Motion to Approve Settlement Agreement with the Halpern Parties Relating to the Commodore Properties and Distribution of Sale Proceeds and Back-Up Sale Contract (the "Halpern Settlement Order") [DE 333], which granted the Receiver's motion [DE 310], overruled the response of CWL-CH, LLC, ASJAIA, LLC and Vieden Grove Oz, LLC's ("CG Investors") [DE 315], and overruled the limited response of TB 3138 Commodore Investments, LLC and TB 3120 Commodore Investments, LLC's ("Ground Lessors") [DE 316]. The Receiver filed replies on December 31, 2024 [DE 320, 321]. The Court heard oral argument on January 6, 2025.

On February 13, 2025, the CG Investors filed a Motion for Reconsideration of the Halpern Settlement Order [DE 344]. The Halpern Parties filed their response on February 27, 2025 [DE 353], the Receiver filed her response on March 3, 2025 [DE 354], and the CG Investors filed their reply on March 6, 2024 [DE 355].

**ii. The CG Investors' Objections and Stay Relief Motion**

The CG Investors filed a motion for stay relief to pursue a state court action [DE 244] on October 15, 2024. The Receiver filed her responses in opposition to the CG Investors' stay relief motion on October 25, 2024 [DE 282], and the CG Investors filed a reply on October 31, 2024 [DE 291].

**iii. The Receiver's Motions to Employ Two Appraisers, the CG Investors' Opposition, and the Commodore Sale Motion**

On January 6, 2025, the Halpern Parties requested that the Receiver obtain two additional sets of appraisals of the Commodore Properties to obviate the CG Investors' objection that the Receiver needs to obtain three sets of appraisals to sell the Commodore Properties. On January 22, 2025, the Halpern Parties advised they would provide the Receivership Estate with funds to cover the cost of one set of appraisals if the final set of appraisals is funded by another source.

On January 27, 2025, the Receiver filed a Motion for Authorization of Employment of Integra Realty Resources as Real Estate Appraiser for the Commodore Properties [DE 328], which provides in part that the Halpern Parties have agreed to provide the Receivership Estate with funds to pay the \$18,500 fee for the appraisals.

On January 28, 2025, the Receiver filed a Motion for Authorization of Employment of Aucamp, Dellenback & Whitney as Real Estate Appraiser for the Commodore Properties [DE 330], which provides in part that the Receivership Estate will pay a \$15,000 fee for the appraisals. While the Receiver had discussions with Coconut Grove Commodore Development Ventures, LLC (the "Buyer") regarding whether the Buyer will reimburse the Receivership Estate for the cost of the final set of appraisals if it closes on the sale, no agreement has been reached.

On February 10, 2025, the CG Investors filed objections to the Receiver's motions to employ appraisers [DE 343]. On February 17, 2025, the Receiver filed her reply in support of the motions [DE 346].

The Receiver seeks to obtain the two additional sets of appraisals for the Court to consider when evaluating: (1) the Receiver's Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests (the "Commodore Sale Motion") [DE 238] seeking to approve a \$28.2 million dollar sale to the Buyer filed on September 24, 2024, and (2) the

Receiver's anticipated motion to approve the back-up sale contract with the buyer affiliated with the Halpern Parties contemplated under the settlement agreement with the Halpern Parties. The Receiver previously submitted under seal the appraisals performed by Walter Duke + Partners for the Commodore Properties on December 2, 2024 [DE 309, 308]. The Court advised that the Commodore Sale Motion will be carried over to the following monthly status conferences.

The CG Investors filed an objection to the Commodore Sale Motion [DE 265]. The Receiver filed an omnibus reply to objections to the Commodore Sale Motion on October 22, 2024, including the CG Investors' objection [DE 279]. The CG Investors oppose the Commodore Sale Motion because they allege the Receiver needs to obtain three appraisals, but they have simultaneously opposed the Receiver's motions to obtain two additional sets of appraisals. This is not the first time the CG Investors have taken inconsistent positions and caused unnecessary delay. Months ago, the CG Investors claimed they wanted to obtain appraisals of the Commodore Properties. The Receiver and her professionals spent a significant amount of time to finalize a confidentiality agreement to provide the Walter Duke appraisals and related documents, and to finalize an access agreement, facilitate access and participate in a site visit for the CG Investors' purported appraiser. Then, during the hearing on January 6, 2025, the GC Investors advised the Court that they had not obtained the appraisals and would not be obtaining the appraisals.

The Receiver has resolved Grouper Financial, Inc.'s limited objections [DE 270], and the City of Miami's informal objections raised via email correspondence with the inclusion of certain language in the proposed order as discussed in the Receiver's October 22, 2024 omnibus reply [DE 279]. As Exhibit A to her Status Report filed on October 30, 2024 [DE 288], the Receiver filed an updated proposed order with redlines showing the changes from the proposed order originally attached as Exhibit 4 to the Commodore Sale Motion. The remaining open issues with

respect to the Ground Lessors are limited to language regarding the Ground Lessors providing estoppel certificates in accordance with the terms of the ground leases, and the Ground Lessors' approval of the assignment of the ground leases to the Buyer. The Receiver continues to pursue resolution of the open issues.

**B. Villa Valencia Units**

The Receivership Estate included four units in a condominium building located at 515 Valencia Ave., Coral Gables, Florida 33134, which are owned by 515 Valencia SPE, LLC, a wholly owned subsidiary of 515 Valencia Partners, LLC: (1) Unit 1301, folio no. 03-4117-096-0120, (2) Unit 1104, folio no. 03-4117-096-0390, (3) Unit 1202, folio no. 03-4117-096-0110, and (4) Unit 1201, folio 03-4117-096-0230.

The Receiver closed on the sale of Unit 1104 (a finished unit) on November 1, 2024. On March 24, 2025, the Receiver filed the Motion to Approve Disbursement of Valencia Lien Claim Fund Proceeds from Sale of Unit 1104 [DE 364], which seeks to disburse the \$3,940,691.90 in net sale proceeds from the sale of Unit 1104 to the first position lender, 515 Valencia Acquisition, LLC (the "Lender") to substantially reduce its claim and potential interest the lender may claim. The Motion states that while the Receiver and the Halpern Parties, the second position lender, have engaged in settlement discussions, no final agreement has been reached, and it is possible that the Halpern Family Trust will oppose the motion. The Halpern Parties did not file an objection.

A pre-receivership purchaser, Non-Party Mironest CG, LLC ("Mironest") filed a Conditional Objection to Receiver's Motion to Approve Disbursement of Valencia Lien Claim Fund Proceeds from Sale of Unit 1104 [DE 377]. The Receiver filed her reply on April 28, 2025 [DE 407], and the Lender filed its Response to Mironest's Objection on April 29, 2025 [DE 413]. The Receiver has engaged in additional settlement discussions with Mironest. On May 7, 2025,

the Receiver circulated to Mironest updated proposed language to resolve the conditional objection. No response has been received, and the Receiver sent a follow-up email on May 12, 2025. In the event the condition objection is resolved prior to the status conference, the Receiver will file the updated proposed order with the Court.

The Receiver has not reached an agreement with the Lender as to the total amount owed 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 continues to have discussions with the Lender and the Halpern Parties with respect to various open items relating to the Villa Valencia units. Any proposed settlement will be subject to the Court's approval.

Unit 1301 is a penthouse unit that occupies the entire thirteenth floor and is unfinished with no interior walls. The Receiver hired Josephine Wang, CIPS, and the firm of Brown Harris Stevens as the broker to assist with the marketing and sale of this unit [DE 189]. The broker initially listed Unit 1301 for sale at \$10,185,000 in September 2024. In consultation with the broker, the Receiver approved reducing the list price to \$8,500,000 on December 5, 2024, and to \$7,350,000 on March 18, 2025. The Receiver is continuing to evaluate employing a broker to sell Units 1201 and 1202.

Unit 1201 and Unit 1202 are two units spread across the twelfth floor. Prior to the receivership, Mironest entered into a purchase agreement for Unit 1202 and the predecessor-in-interest of Gregory T. Martini, as Trustee entered into a purchase agreement for Unit 1201. The

Receiver has engaged in settlement discussions with both parties that may include an “as is where is” sale of the unit. Any proposed settlement and sale would be subject to Court approval.

On March 7, 2025, the Receiver filed a Motion to Approve Stipulation with Gregory T. Martini, as Trustee of VV 1201 Trust Agreement, Goodkind & Florio, P.A. and Philadelphia Indemnity and Insurance Company [DE 356], which enables the purchaser under the pre-receivership sale contract for Unit 1201 to obtain his 10% initial deposit from the surety. The response deadline passed on March 21, 2025. No objection to the motion has been filed.

**C. Montana Property**

7240 US Highway 2 SPE, LLC, a wholly owned subsidiary of LV Montana Phase I, LLC, owns real property consisting of 12.37 acres and residential structure with an address of 7240 US Highway 2 E, Columbia Falls, Montana 59912 (folio no. 07-4186-15-2-09-30-0000). The property was purchased on February 3, 2022 for \$799,000. There is no mortgage on the property. On May 21, 2024, the Court approved the receiver’s request to employ a broker [DE 160]. On May 23, 2024, the Receiver signed a listing agreement to list the property for \$899,000. The Receiver has extended the listing expiration date to July 31, 2025. In consultation with the broker, the Receiver lowered the list price to \$825,000 on August 9, 2024, and to \$749,000 on April 2, 2025.

**D. Administered Properties**

The Receiver closed on the \$17.5 million sale of the Stewart Property on July 29, 2024, and obtained Court approval of a settlement agreement with the first position lender that provided for a \$797,412.36 carveout for the benefit of the receivership estate [DE 185]. More recently, with respect to the \$2,351,518.90 in the Stewart Lien Claim Fund, the Receiver obtained Court approval of a settlement agreement with the Halpern Parties, including the second position lender, that provides for a \$80,000 carveout for the benefit of the receivership estate [DE 415].

The Receiver obtained Court approval of a settlement agreement with Los Pinos Acquisition LLC [DE 409], the lender for residential property located at 7233 Los Pinos Blvd in Coral Gables that was owned by 7233 Los Pinos LLC, an entity Mr. Kapoor has stated that he and Jeannie Frank Kapoor own through an entity named Kapoor, LLC. As a result of the settlement, the Receiver has recovered \$375,000 on account of her interest in the Los Pinos Property.

The Receiver closed on the \$17.5 million dollar sale of the Miami Beach Property on January 7, 2025 [DE 293]. Details are provided in the prior reports filed with the Court [*see* DE 350, 334].

The Receiver closed on the \$800,000 sale of the vacant lot on Minorca Avenue in Coral Gables on March 1, 2024 [DE 64]. Details are provided in the prior reports filed with the Court [*see* DE 350, 334].

The Receiver obtained Court approval of a settlement agreement with the lender for the office building located at 299 Alhambra Circle in Coral Gables [DE 186] under which the lender paid \$100,000 to the Receivership Estate and agreed to entry of a final consent summary judgment of foreclosure. Details are provided in the prior reports filed with the Court [*see* DE 350, 334].

## **II. Pending Matters**

### ***A. [DE 238] Receiver's Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests filed on September 24, 2024.***

#### **Objections/Responses Received:**

- i. [DE 265] GC Investors' Objection to Receiver's Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests filed on October 15, 2024.
- ii. [DE 270] Non-Party Grouper Financial, Inc.'s Limited Response to Receiver's Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests filed on October 17, 2024. This has been resolved as discussed in the Receiver's reply.



Related Documents:

- i. [DE 279] Receiver's Omnibus Reply to Objections to Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests filed on October 22, 2024.
- ii. [DE 288] Receiver's Status Report which includes as Exhibit A an updated proposed order with redlines showing the changes from the proposed order attached as Exhibit 4 to the sale motion.
- iii. The matter was previously set for November 7, 2024, reset to December 4, 2024 [305], reset to January 6, 2025 [DE 313], and reset to May 19, 2025 [DE 416]

Status: The Court advised that the Commodore Sale Motion will be carried to each monthly status conference pending the Receiver obtaining two additional sets of appraisals as requested by the Halpern Parties.

**B. *[DE 244] CG Investors' Expedited Motion for Relief from Stay of Ancillary Litigation and/or for Partial Vacation, Modification, or Clarification of Order Appointing Receiver and if Necessary to Intervene filed on October 4, 2024.***

Objections/Responses Received:

- i. [DE 282] Receiver's Response in Opposition to CG Investors' Expedited Motion for Relief from Stay of Ancillary Litigation and/or for Partial Vacation, Modification, or Clarification of Order Appointing Receiver and if Necessary to Intervene filed on October 25, 2024.

Related Documents:

- i. [DE 283] Securities and Exchange Commission's Notice of Adoption of the Response filed by the Receiver filed on October 25, 2024.
- ii. [DE 291] CG Investors' Reply in Response to Receiver's Response in Opposition to CG Investors' Expedited Motion for Relief from Stay of Ancillary Litigation and/or for Partial Vacation, Modification, or Clarification of Order Appointing Receiver and if Necessary to Intervene filed on October 29, 2024.
- iii. This matter is set for hearing on May 19, 2025 [DE 416]. The matter was previously set for November 7, 2024, reset to December 4, 2024 [DE 305], reset to January 6, 2025 [DE 313], reset to March 5, 2025 [DE 342, 359], and reset to April 16, 2025 [DE 365].

Status: This matter is fully briefed, and set for hearing on May 19, 2025 [DE 416].

**C. *[DE 328] Receiver's Motion for Authorization of Employment of Integra Realty Resources as Real Estate Appraiser for the Commodore Properties filed on January 27, 2025.***

Objections/Responses Received:

- i. [DE 343] CG Investors' Objections to the Receiver's Motions for Authorization to Appoint Appraisers.

Related Documents:

- i. [DE 346] Receiver's Reply to CG Investors' Response to Motion to Appoint Appraisers.
- ii. This matter is set for hearing on May 19, 2025 [DE 416]. The matter was previously set for April 16, 2025 [DE 365].

Status: The motion is fully briefed, and set for hearing on May 19, 2025 [DE 416].

**D. *[DE 330] Receiver's Motion for Authorization of Employment of Aucamp, Dellenback & Whitney as Real Estate Appraiser for the Commodore Properties filed on January 28, 2025.***

Objections/Responses Received:

- i. [DE 343] CG Investors' Objections to the Receiver's Motions for Authorization to Appoint Appraisers.

Related Documents:

- i. [DE 346] Receiver's Reply to CG Investors' Response to Motion to Appoint Appraisers.
- iii. This matter is set for hearing on May 19, 2025 [DE 416]. The matter was previously set for April 16, 2025 [DE 365].

Status: The motion is fully briefed, and set for hearing on May 19, 2025 [DE 416].

**E. *[DE 344] CG Investors' Motion for Reconsideration of Order Granting Receiver's Motion to Approve Settlement Agreement with the Halpern Parties Relating to the Commodore Properties, Etc. filed on February 13, 2025.***

Objections/Responses Received:

- i. [DE 353] Non-Party, Martin Halpern, as Trustee of the Martin L. Halpern Revocable Trust and Trustee of the Halpern Family Trusts' Response in Opposition

to Motion for Reconsideration of Order Granting Receiver's Motion to Approve Settlement Agreement with the Halpern Parties.

- ii. [DE 354] Receiver's Response to CG Investors' Motion for Reconsideration of Order Approving Settlement Agreement with Halpern Parties Relating to Commodore Properties.

Related Documents:

- i. [DE 347] CG Investors' Amended Certificate of Conferral as to D.E. 344
- ii. [DE 355] CG Investors' Omnibus Reply to Receiver's and Halpern Parties' Responses to Motion for Reconsideration on Order Approving Settlement Agreement with the Halpern Parties.
- iii. This matter is set for hearing on May 19, 2025 [DE 416]. The matter was previously set for April 16, 2025 [DE 365].

Status: The motion is fully briefed, and set for hearing on May 19, 2025 [DE 416].

- F. [DE 356] Receiver's Motion to Approve Stipulation with Gregory T. Martini, as Trustee of VV 1201 Trust Agreement, Goodkind & Florio, P.A. and Philadelphia Indemnity and Insurance Company filed on March 7, 2025.**

Objections/Responses Received: None.

Related Documents:

- i. This matter is set for hearing on May 19, 2025 [DE 416]. The matter was previously set for April 16, 2025 [DE 365].

Status: The response deadline passed on March 21, 2025. No response or objection has been filed. The motion is set for hearing on May 19, 2025 [DE 416].

- G. [DE 364] Receiver's Motion to Approve Disbursement of Valencia Lien Claim Fund Proceeds from Sale of Unit 1104 filed on March 24, 2025.**

Objections/Responses Received:

- i. Non-Party Mironest GC, LLC's Conditional Objection to Receiver's Motion to Approve Disbursement of Valencia Lien Claim Fund Proceeds from Sale of Unit 1104 [DE 377].

Related Documents:

- i. Receiver's Reply in Support of Motion to Approve Disbursement of Valencia Lien Claim Fund Proceeds from Sale of Unit 1104 [DE 407].
- ii. Non-Party 515 Valencia Acquisition, LLC's Response to Mironest's Objection [DE 413].
- iii. This matter is set for hearing on May 19, 2025 [DE 416].

Status: The motion is fully briefed, and set for hearing on May 19, 2025 [DE 416].

**H. [DE 404] Receiver's Motion to Resume Regular Status Conferences filed on April 25, 2025.**

Objections/Responses Received: None.

Related Documents: None.

Status: The response deadline passed on May 9, 2025. No response or objection has been filed. The motion is set for hearing on May 19, 2025 [DE 416].

Respectfully submitted,

By: /s/ Bernice C. Lee  
Bernice C. Lee  
*Receiver for the Receivership Entities*  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was filed with the clerk of the Court using CM/ECF, and the foregoing document has been served via CM/ECF upon all counsel of record this 12th day of May, 2025.

By: /s/ Bernice C. Lee  
Bernice C. Lee