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 SECOND STATUS REPORT FOR THE COMMODORE SALE MOTION AND NOTICE OF TERMINATION

Bernice C. Lee, the Receiver (the "Receiver") appointed by the Court's Order [DE 28] ("Receivership Order") entered on January 12, 2024, submits her Second Status Report for the Commodore Sale Motion and Notice of Termination, and submits a proposed order denying as moot the Receiver's Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests (the "Commodore Sale Motion") [DE 238] as **Exhibit A**.

I. The Commodore Sale Motion, Buyer's Termination, and Proposed Order

Coconut Grove Commodore Development Ventures, LLC, the buyer under the Real Estate and Ground Lease Purchase and Sale Agreement (the "First Sale Contract"), attached as Exhibit 3 to the Commodore Sale Motion, has terminated the First Sale Contract pursuant to section 6(C) of the First Sale Contract. After receipt of the buyer's wire instructions, the escrow agent paid the initial deposit, less a $500 escrow fee, to the buyer on October 14, 2025.

Section 6(C) of the First Sale Contract provides in part:

> Due Diligence/Termination Right. Buyer shall have the right to terminate this Agreement prior to the expiration of the Inspection Period with written notice (a "Termination Notice") to Receiver, Seller and Escrow Agent prior to the expiration of the Inspection Period; provided that, the Parties agree that the Buyer has entered

> into an agreement in principle, subject to final negotiations, with Grouper Financial Inc. ("GFI") and a Termination Notice will not be based on the issues addressed in such agreement, including without limitation GFI's asserted rights with respect to the Commodore Properties. In such event, the remaining unearned Initial Deposit and all interest earned thereon (if any) shall be promptly paid to Buyer, and thereafter, the parties shall have no further rights or obligations hereunder except for those obligations which expressly survive the termination of this Agreement.

First Sale Contract § 6(C).

The Receiver previously filed a Status Report for the Commodore Sale Motion on September 10, 2025 [DE 455], in accordance with the Court's Order [DE 450]. The same day, the Court entered an Order [DE 456] staying its consideration of the Commodore Sale Motion.

In light of the Buyer's termination, the Receiver requests that the Court enter an order denying the Commodore Sale Motion as moot, and has attached a proposed order for the Court's consideration as Exhibit A.

II. The Halpern Buyer's Back-Up Sale Contract and Sale Motion

The settlement agreement with the Halpern Parties provides that a party affiliated with the Halpern Parties will be the back-up buyer and provides for the terms of the sale contract. On January 16, 2025, the Receiver circulated a draft sale contact with the Halpern Parties. On March 6, 2025, the Halpern Parties provided comments, and on the same day, the Receiver responded to the Halpern Parties' comments. On April 28, 2025, the Receiver requested that the Halpern Parties provide certain information needed to finalize the execution version of the sale contract, such as the name of the buyer entity. The Receiver sent follow up e-mails on June 11, 2025, June 23, 2025 and July 2, 2025. After the Halpern Parties provided certain information, on July 28, 2025, the Receiver circulated an updated sale contract. After, the Halpern Parties advised that they had additional minor, non-substantive comments for the Receiver to consider. On August 18, 2025, the Halpern Parties provided additional comments on the sale contract, and on August 19, 2025, the Receiver provided her comments and an updated version. The Receiver continued to follow up with the Halpern Parties.

On September 30, 2025, LDHC Holdings, LLC, the back-up buyer, provided the Receiver with the signature page for the Real Estate and Ground Lease Purchase and Sale Agreement (the "Halpern Sale Contract"). The same day, the Receiver filed the Receiver's Motion to Approve Back-Up Contract for Sale of Commodore Properties Free and Clear of Liens, Claims and Encumbrances [DE 460]. The response deadline was October 14, 2025. Two responses have been filed:

1. The Notice of Limited Objection to Receiver's Updated Proposed Order [ECF 455-1] and Receiver's Motion to Approve Back-Up Contract for Sale of Commodore Properties Free and Clear of Liens, Claims, and Encumbrances [ECF 460] filed by TB 3138 Commodore Investments, LLC and TB 3120 Commodore Investments, LLC, two ground lessors, on October 14, 2025 [DE 461]; and

2. Response of CWL-CH, LLC, ASJAIA, LLC, and Vieden Grove OZ, LLC, in Opposition to Receiver's Motion to Approve Back-Up Contract for Sale of Commodore Properties Free and Clear of Liens, Claims, and Encumbrances filed on October 14, 2025 [DE 462].

The Receiver will file her replies, and after, will provide the Court with notice as to the status of the responses and proposed order.

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 15th day of October, 2025.

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

EXHIBIT A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

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

SECURITIES AND EXCHANGE
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__________________________________/

ORDER DENYING RECEIVER'S MOTION TO APPROVE SALE OF COMMODORE PROPERTIES FREE AND CLEAR OF LIENS, ENCUMBRANCES AND INTERESTS

THIS CAUSE came before the Court upon the Receiver, Bernice C. Lee's Motion to Approve Sale of Commodore Properties Free and Clear of Liens, Encumbrances and Interests (the "Motion"), which sought approval of the sale of the Commodore Properties to Coconut Grove Commodore Development Ventures, LLC (the "Buyer"). ECF No. [238]. On October 15, 2025, the Receiver filed a Second Status Report, ECF No. [___], which advised the Court that the Buyer terminated the Sale Contract pursuant to section 6(C) of the Sale Contract, and requested that the Court enter an Order denying the Motion as moot. Upon due consideration of the Second Status Report, the pertinent portions of the record, and the relevant authorities, it is **ORDERED AND ADJUDGED** that the Motion, ECF No. [238], is **DENIED AS MOOT**.

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

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JACQUELINE BECERRA
UNITED STATES DISTRICT JUDGE