

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 RESPONSE TO *AMENDED* MOTION OF
COMMODORE CENTRE CONDOMINIUM ASSOCIATION, INC. TO COMPEL
THE RECEIVER TO PAY DELINQUENT CONDOMINIUM MAINTENANCE
ASSESSMENTS DUE TO THE ASSOCIATION, FOR LIMITED RELIEF FROM
THE RECEIVERSHIP ORDER AND FOR RELATED RELIEF**

Bernice C. Lee, as Receiver (“Receiver”) over the companies¹ listed herein (collectively, the “Receivership Defendants”) in this action, responds to the *Amended* Motion of Commodore Centre Condominium Association, Inc. to Compel the Receiver to Pay Delinquent Condominium Maintenance Assessments Due to the Association, for Limited Relief from the Receivership Order and for Related Relief (“Amended Motion to Compel”) [DE 476] filed by the Commodore Centre Condominium Association (“Commodore Association”). The Receiver has already responded [DE 469] to the initial Motion to Compel filed by the Commodore Association [DE 463] and this response only addresses the new matters included in the Amended Motion to Compel.

¹ The Receivership Defendants include: Location Ventures, LL, 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.

Although the Amended Motion to Compel does not clearly indicate, the primary substantive differences in the Amended Motion to Compel are (1) to correct the number of units presently at the 3162 Commodore property (48, not 63) (*see* DE476 at p. 4); (2) to update as to the termination of the First Sale Contract for the Commodore Properties and the Receiver's pursuit of approval of the Back-Up Contract (*see id.* at p. 6); and (3) to assert additional claims for which the Association seeks payment (*see id.* at p. 6).

In particular, the Association newly asserts that: (1) damage from the halted renovation of the Commodore Properties caused the Association to pass a special assessment for \$111,500.00 for emergency repairs; (2) the Association was recently informed by the fire inspector that the renovation also damaged the fire sprinkler system, fire pump and fire alarm, and that the initial estimates for repairs obtained by the Association exceed \$100,000; and (3) the Association has obtained estimates for repairs once mitigation matters are completed, which total more than \$200,000 (*see id.* at p. 6). Notably, all of these claims are asserted to be based upon damages supposedly caused by the cessation of Urbin Coconut Grove, LLC's renovation work and the contractor's failure to properly secure the 3163 Commodore property – all of which occurred months before this case commenced and the Receiver was appointed.

The additional matters raised by the Association in the Amended Motion to Compel demonstrate precisely why the Association's claims are more properly addressed through a claim process in the receivership case, rather than through a motion to compel immediate payment, as the Receiver argued in her initial response.²

² In her initial Response, the Receiver cited several cases confirming the Court's broad authority and wide discretion in an equity receivership to control the structure and timing of a claim and

First, by the Association's own description, the Association's claims all arise out of the alleged actions or inactions of the Receivership Companies or their contractor prior to the receivership in connection with the cessation of the renovation project and the assertedly inadequate job the contractor did in closing up the worksite. As such, the claims would not qualify under any circumstances as "administrative expenses" arising from the Receiver's administration of the receivership estate; rather, they are pre-receivership claims for which any directive requiring immediate payment to the Association would operate to the detriment and prejudice of all other investors and creditors who may be entitled to receive distributions from receivership assets. There are a multitude of other entities and individuals who will assert claims both with respect to the Commodore Properties specifically and the Receivership Companies generally; the Association has not demonstrated why its claims should receive special treatment at the expense of all the others.

Second, the Association's claims are subject to a multitude of factual disputes that would have to be resolved before the Receiver could be required to pay any amount on account of them. As detailed in her initial Response, the Receiver disputes whether the expenses claimed by the Association provided any concrete, tangible benefit to the Receivership Companies, and whether the Association has accurately identified all amounts paid and unpaid prior to the commencement of the Receivership. To the extent the Association's Amended Motion to Compel apparently seeks

distribution process. *See, e.g., Sec. & Exch. Comm'n v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *Sec. & Exch. Comm'n v. Pension Fund of America, L.C.*, 377 F. Appx. 957, 962-63 (11th Cir. 2010), citing *Quilling v. Trade Partners, Inc.*, 572 F.3d 293, 298 (6th Cir. 2009); *Sec. & Exch. Comm'n v. Credit Bancorp, Ltd.*, 290 F.3d 80, 88 (2d Cir. 2002); *Sec. & Exch. Comm'n v. Complete Bus. Solutions Group, Inc.*, No. 20-CV-81205-RAR, 2024 WL 3816613, *5 (S.D. Fla. Jun. 26, 2024).

to compel payment from the Receiver for expenses the Association has not even yet incurred, much less assessed to the Association's unit owners, the Receiver would further dispute the Association's entitlement to make any claim against the Receivership Companies for such amounts. Such claims are premature and may well become moot: assuming the Back-Up Contract Motion is approved – as the Court advised it would do at the conclusion of the hearing on November 18, 2025 – and the Halpern Buyer closes on the sale of the Commodore Properties, the Halpern Buyer's subsequent disposition of the Commodore Properties may make the Association's anticipated expenditures for mitigation and repairs unnecessary. Moreover, to the extent the Association's asserted claims appear to be predicated on asserted actions or inactions by the Receivership Companies or their contractor, the Receiver will once again note that the Association has already asserted insurance claims which it is in process of pursuing. Those unresolved claims should not be the basis for compelling immediate payment from the Receivership Companies themselves.

The Receiver also reiterates her positions that (1) all substantive objections to the amount or entitlement of the Association's claims should be preserved and addressed through a claims process, and if necessary, evidentiary proceedings, since the Association's claims are presently disputed;³ (2) the Association's request for authority to file liens against the Commodore Properties is inappropriate and inconsistent with the free and clear sale pursuant to the Back-Up Contract Motion; and (3) the Association's request for a prospective ruling on its ability to assert

³ Indeed, the Association's newly asserted claim relating to the fire systems is only based on "initial estimates" and does not even reflect a cost that has actually been incurred, much less assessed to the unit owners.

“in personam” claims against future unit owners relies on inapposite “bar order” cases, and improperly seeks an advisory opinion on a matter that is not ripe for adjudication and which may ultimately become moot.

For these reasons, and those set forth in the Receiver’s initial Response, the Receiver respectfully submits that the Association’s Amended Motion to Compel should be denied.

Respectfully submitted,

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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 1st day of December, 2025.

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