



Judge Plans To Move Quickly On Sale Of Surfside Property

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The judge overseeing litigation over the condominium collapse in Surfside, Florida, told attorneys Wednesday that he intends to move forward quickly with a sale of the property where the building once stood in order to maximize recovery for victims.

In a hearing in Miami, Judge Michael Hanzman said he is "not interested in a prolonged negotiation" regarding the Champlain Towers South property and instructed the receiver for the condominium association to begin the process of setting up an auction of the property.

He acknowledged that there had been talk of creating a memorial park in the space, where at least 95 died when the building collapsed in the early morning hours of June 24. But he said the victims would not be sacrificing potential funds to build the park.

"I'm interested in who is going to step up and close quickly," Judge Hanzman said. "The state can acquire the land at fair market value. My belief is no government agency is going to move as quickly as the court intends to move."

The first step in the process of selling the property is judicially terminating the condominium association, which Judge Hanzman can do at the request of one or more unit owners. Once that is done, receiver Michael Goldberg said the estate would have to do an environmental review of the property and then seek a stalking horse bidder before setting up an auction.

Goldberg has previously told the court he has received inquiries about the property by prospective buyers in the \$100 million to \$110 million range.

The partial collapse of the 12-story residential building, the cause of which is still undetermined, completely destroyed 55 of its 136 units and rendered the rest uninhabitable. As of Wednesday morning, 95 people had died, and at least a dozen are still missing.

Goldberg also told the court he received notice Tuesday that Fireman's Fund Insurance Co. had agreed to tender its \$10 million limit on a liability policy plus an additional \$300,000 in crisis management services. QBE Insurance Corp. has also tendered \$5 million of excess or umbrella coverage, according to the receiver.

This is in addition to the \$3 million already tendered and received from James River Insurance Co. and Philadelphia Indemnity Insurance Co., according to Goldberg.

The receiver said he has had discussions with Great American Insurance Co. regarding a \$30 million property insurance policy that he believes may be \$2 million or \$3 million higher with additional coverage. His team is also looking into insurance policies from previous years that may apply in this situation.

Goldberg told the court he had received 24 applications for relocation expenses from residents, both renters and owners, and had approved 18 of them and sent \$10,000 checks. Three homeowners who had been renting out their apartments to others were denied relocation expenses, as was the girlfriend of a unit owner who had not lived in the building since January, he said.

Judge Hanzman also approved the refund of about \$2.4 million in assessments that unit owners had already paid to the association toward the \$15 million bill for structural work on the building, which was getting started when it fell, and gave Goldberg permission to cancel a \$12 million line of credit with Valley National Bank that the association had secured to pay for the repairs. Goldberg told the court that the bank has already agreed to refund all closing costs.

The parties will reconvene Friday morning for a hearing on the attorney leadership teams for the planned two-track class action litigation, one for unit owners who suffered property loss and a subclass for those who were injured or killed.

Harley Tropin of Kozyak Tropin & Throckmorton LLP, who was tasked by the court to help set up leadership teams for the plaintiffs' suits, told Judge Hanzman that he expects that to be finalized shortly.

"We are close and by the end of the day, we'll be there," Tropin said.

The judge said once the consolidated class pleadings are filed and lead attorneys are appointed, individual cases will be stayed.

And as he has done in previous hearings, he told the dozens of attorneys assembled in the courtroom and on Zoom not to expect payment for their services. Litigators will be refunded for their costs, and at the end of the case, if there is a good recovery, he will consider paying them up to their lodestar fee amount, meaning their hourly rate multiplied by the number of hours worked on the case. There will be no multipliers or enhancements on the fee awards, he said.

"And that's the best-case scenario," Judge Hanzman said. "There is a possibility but certainly no assurance that they will be paid their lodestar and not a penny more."

Goldberg is represented by Paul Singerman and Jordi Guso of Berger Singerman LLP.

Attorneys representing victims include Harley S. Tropin of Kozyak Tropin & Throckmorton, Adam Moskowitz of The Moskowitz Law Firm PLLC, John Ruiz of MSP Recovery, Searcy Denney Scarola Barnhart & Shipley PA partner Jack Scarola, William F. "Chip" Merlin Jr. of Merlin Law Group, Brad R. Sohn of The Brad Sohn Law Firm PLLC, Ricardo M. Martinez-Cid of Podhurst Orseck PA and H.K. "Skip" Pita of Pita Weber & Del Prado, among others.

There are at least two dozen cases before Judge Michael Hanzman in the Eleventh Judicial Circuit Court of Florida.