

## Miami-Dade Jury Returns \$35M Verdict in High-Profile Real Estate Dispute

The defendants in the litigation included some of the most prominent business people in South Florida who own property on an exclusive Caribbean island.

By Michael A. Mora

### What You Need to Know

- The case went before Miami-Dade Circuit Judge David C. Miller.
- The state court jury returned a \$35 million verdict after a six-week trial and three full calendar days of deliberations.
- Manuel C. Diaz alleged retaliation from multiple high-profile defendants, including Joseph Pollio Jr., Thomas Sansone and Michael Skenian.

A Miami-Dade Circuit Court jury awarded tens of millions of dollars to a former three-decade shareholder and resident of an exclusive Caribbean island.

Manuel C. Diaz sued Cat Cay Yacht Club Inc. and multiple high-profile defendants, three of whom—Joseph Pollio Jr., Thomas Sansone and Michael Skenian—accused him of improperly receiving more



**Javier Lopez, a partner at Kozyak Tropin & Throckmorton**

than \$165,000 in member credits.

Diaz's attorney, Javier Lopez, a partner and head of litigation at Kozyak Tropin & Throckmorton in Coral Gables, said the club's board of directors subsequently expelled Diaz from the island's common areas for allegedly breaking the island's bylaws. Following the boot, the board passed a special resolution to allow the same board members who voted on the original expulsion to also sit on Diaz's appeal.



**Aerial of Cat Cay Island.**

(Credit: Courtesy photo)

“You effectively have the original expulsion boss or ‘trial judge’ just take off his hat and put on the appellate court hat and have the same people who convicted him ruling on the appeal,” Lopez said, noting that Diaz was not allowed to attend his own expulsion appeal meeting.

Now, after a six-week trial and three days of deliberations, the jury returned a \$35 million verdict on all seven counts for Diaz.

These counts included breach of fiduciary duty, breach of

contract, defamation, conversion, conspiracy to commit conversion, tortious interference with a business relationship, and conspiracy to commit nuisance.

However, these findings did not sit well with Joshua Peck, director of media relations in Akerman's Atlanta, Georgia, office. Peck spoke on behalf of Gerald B. Cope Jr., a shareholder at Akerman, who was among the attorneys for more than 10 defendants before Miami-Dade Circuit Judge David C. Miller.

"We do not believe that either the verdict or the damages awarded conform with the evidence," Peck said in a statement. "We look forward to vigorously exercising our rights in the trial and appellate courts."

Lopez told the jurors the story of Diaz and his wife, who have visited Cat Cay for decades. During that time, they joined the club and purchased an oceanfront home, vacant lots and a dock at one of the marinas. Diaz acquired 10 equity shares, each valued today at \$250,000. And his daughter was separately in possession of two equity shares.

Attorneys also said Diaz had contributed millions of dollars without reimbursement to improve the island, ranging from his donations and raising of money after Category 5 Hurricane Andrew pummeled



Miami-Dade Circuit Judge David C. Miller. (Credit: ALM)



Dump site adjacent to one of Manuel C. Diaz's properties. (Credit: Manuel C. Diaz)



Vandalism at Manuel C. Diaz's former home. (Credit: Manuel C. Diaz)

the island in August 1992 to his more recent planting of more than 2,000 coconut palms, attorneys said.

However, trouble started when Diaz sought reimbursement for 20,000 gallons of water the club removed from one of his properties without his authorization, according to the sixth amended complaint.

The club's former manager reimbursed Diaz through members' credits without documenting the transactions. Pollio, then president of the island, was involved in a spat with Diaz, and commenced an investigation into the member credits, according to court documents.

Lopez said defense counsel argued that Diaz was just expelled from a "social club" to minimize the significance of the move. Instead, Lopez explained the club sanctioned and permitted a dump site to be opened next to one of Diaz's properties.

The club also allegedly turned a blind eye to vandalism leading to the repeated ransacking of another one of Diaz's properties. And to evidence that,

the attorney showed jurors photos of the dump site and the resulting damage from that ransacking.

The club also restricted Diaz's travel on the island, limiting his access solely to his properties. For instance, if Diaz suffered a heart attack, he was told he could not seek care from the island's hospital; rather, he had to travel to another island, Lopez said.

In the meantime, the board allegedly altered the bylaws to restrict Diaz from selling his family's equity shares as a block to restrict a subsequent owner's voting power on the club's future. Later, the board also allegedly diluted his shares, resulting in multimillion-dollar losses.

And the allegations of stolen member credits ultimately allegedly ruined Diaz's decadeslong reputation on the island, resulting in millions of dollars of lost income through his businesses that the jury accounted for in its verdict.

"Where there's a wrong, there's a remedy," Lopez said. "Jurors just want to make things right."