IN THE CIRCUIT COURT FOR THE 11th JUDICIAL CIRCUIT IN AND FOR MIAMI-DADE COUNTY, FLORIDA

ANA DANTON, individually and for the use and benefit of other property owners within Hammocks Community Association Incorporated,

Plaintiff,

v.

HAMMOCKS COMMUNITY ASSOCIATION INCORPORATED,

Defendant.
_____/

CASE NO. 2022-007798-CA-01

RECEIVER'S RECOMMENDED TRANSITION PLAN

The Honorable David M. Gersten (Retired), the Court-appointed Receiver (the "Receiver"), as requested by the Court during a November 15, 2023, hearing in this matter, hereby submits his recommended plan to transition the Hammocks Community Association Incorporated (the "Association") out of receivership.

This plan consists of: 1) in June 2024, a limited discharge of the Receiver as to all non-litigation and matters not related to insurance involving the Association and transition of the newly elected Advisory Board to a full-functioning Board as to all other matters, under the guidance and supervision of the Receiver as Court-Appointed Monitor; and, 2) by the end of 2024, unless circumstances dictate otherwise, the termination of the Receiver as Court-appointed Monitor, with the Receiver to remain as Court-Appointed Election Monitor until further ordered by this Court.

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I.
INTRODUCTION

A.
How We Got Here

Thirteen months ago, this Court—together with the State Attorney's Office ("SAO")—ended the tyrannical reign of former Association President Marglli Gallego ("Gallego") and her cohorts, during which they pilfered millions of dollars from the Association, egregiously neglected the Association's property, and terrorized its members. Gallego and the rogue Board used secrecy, intimidation, and compliant (*i.e.*, "paid off") legal, accounting, and other consultants/vendors to carry out their seven-year-long scheme: those tactics were their "calling card."

Some brave homeowners, however, would not stand by and allow the former Board to continue its thievery. They contacted the SAO to investigate the rogue Board, and one homeowner (Ana Danton, "Danton") instituted this lawsuit challenging certain illegitimate actions of the prior Board and requesting that a receivership be established to rescue the Association from Gallego's ironclad grip. On November 17, 2022, this Court listened and appointed the Receiver to lead the Association into its next chapter.

B.
How Far We've Come

As this Court has recognized, having read the Receiver's regular Reports to this Court, tremendous progress has been made since the Receiver's appointment. Below is a brief recitation of systematic progress since this Court established the receivership:

i.
Reestablishing Legitimate Corporate Governance

First and foremost, the Association's corporate governance has been completely overhauled. In March, after a "Fort Knox" style election to guard against any improprieties, an Advisory Board of Directors was put in place; the first legitimately elected Board in years.

Shortly thereafter, several Committees were established (or re-established), to wit, a Finance Committee, a Neighborhoods Committee, a Governing Documents Committee, a Public Safety Committee, a Fining Committee, and an Architectural Control Committee. These committees cultivate homeowner participation that, in turn, helps address and cure the myriad needs of the community.

To ensure complete transparency and maximize meaningful homeowner participation in the Association's governance (both of which concepts were enemies of the prior Board), the Receiver mandated (and the Association's governing documents require, in part) that the regularly conducted meetings of the Advisory Board and all of its Committees be: 1) **duly noticed** (including for any cancellations of meetings); 2) **open to all homeowners**, including via Zoom; and, 3) transcribed. **Secret meetings**, which were a modus operandi of the old Board, **will not be tolerated**.

a.
The Receiver's Biggest Fear: For One Advisory Board Member,
Secret Meetings Were Encouraged

Unfortunately, and as discussed in the Receiver's October 17, 2023, Report to this Court, one committee (the Governing Documents Committee) chose to have **non-public, secret meetings**, which is an egregious violation of the Association's rules and regulations as well as of the Receiver's directives. These secret meetings portend a harkening back to the "Gallego days."

Accordingly, the Receiver issued a Notice of Violation against that Committee's Chairman, Carlos Villalobos ("Villalobos," who is also an Advisory Board member). That Violation, however, did not resolve that issue. Advisory Board member Villalobos doubled down and, yet again, behaved improperly.

As recently as December 4, 2023, Villalobos unilaterally cancelled that day's public Governing Documents Committee meeting despite the Receiver's direct instruction to Villalobos

to proceed with that meeting.[1] Adding insult to injury, Villalobos failed to provide any official notice of that improper cancellation. As a result, the Receiver, the Association's property manager, and several homeowners (both in person and via Zoom) appeared at that meeting, all for naught.

The Receiver also learned that the Governing Documents Committee was continuing to have non-public, secret meetings. Accordingly, on December 13, 2023, the Receiver issued a Notice of Removal concerning Villalobos and removed him as Chairman of the Governing Documents Committee.

b.
The Next Election: February 29, 2024

The Board's next "Fort Knox" style election will occur on February 29, 2024. That election procedure, which was approved by this Court on November 14, 2023, is already underway. Notably, that procedure contains numerous enhancements to the Court-approved procedure used in the prior election, including: 1) the appointment of the Receiver as Election Monitor; 2) a requirement for background checks of all candidates; 3) the establishment of early voting as an official election procedure; and, 4) the incorporation of the Receiver's updated campaign rules (to ensure a level playing field amongst all candidates). Following the election of the new Advisory Board, the Association's Committees will be reconstituted to ensure maximum owner participation in those Committees.

[1] Earlier that day, Villalobos advised the Receiver that he was unilaterally cancelling that meeting because he had not yet received the minutes from the prior Governing Documents Committee meeting. The Receiver advised Villalobos that it was not necessary to have those minutes and directed Villalobos to proceed with the December 4, 2023, public meeting. Villalobos, however, ignored the Receiver's directive and unilaterally cancelled the meeting minutes before the scheduled meeting time.

ii.
Eliminating Avenues of Self-Dealing

To eliminate the old Board's primary avenues of grift—their self-management of the Association, their use of in-house security personnel to serve as their "muscle," and their use of consultants and vendors operated by family members (and other "insiders") as vehicles to launder Association monies—the Receiver hired independent vendors to perform all those functions. Independence, however, is not enough. Those vendors are under the constant, watchful eye of the Receiver and the Advisory Board. Further, the Association is not tethered to long-term contracts. Rather, the Receiver (and, ultimately, the Board) has the right to terminate these contracts on short notice if not satisfied.

Through many of these vendors, the Receiver has rectified, and continues to rectify, the years of neglect of the Association's grounds and other property caused by the prior Board. For example, many code violations (vis-à-vis the Association's pools), safety/security issues (including approximately 80 non-functioning light poles), neglect of the Association's drainage, landscaping, and beaches, and numerous other problems resulted from the prior Board's misfeasance.

iii.
The Receiver and His Legal Team Secured $2.85M for the Association and Continue to Fight for More

The Receiver and his legal team have also successfully clawed back $2,850,000.00 in Association monies through lawsuits filed against prior Board members who have not been arrested as well as against sets of the Association's prior (or purported prior) counsel, including Gallego's personal criminal attorneys (who were paid with Association funds).

Those efforts continue apace, with three other lawsuits still pending, including against: 1) the Association's primary attorneys during Gallego's reign, *i.e.*, Rasco Klock Perez & Nieto, P.L.,

Hilton Napoleon II, P.A., and Hilton Napoleon II, Esq., who were paid over $1.5 million in Association monies; 2) a set of Gallego's personal criminal attorneys, *i.e.*, Hermida Law Firm, LLC, Quintero Broche, P.A., and Jose M. Quinon, P.A., who were paid over $350,000.00 in Association monies; and, 3) three sets of "insider" vendors, including accountants, a security vendor (for personal security services to Gallego and another of her conspiring Board members), and a computer services vendor (which aided the prior Board in falsifying Board election votes). In addition, the Receiver and his legal team continue to pursue a claim for $1 million policy limits against the Association's Crime policy insurer; if the insurer fails to promptly pay those limits, the Receiver will file suit seeking damages in excess of the policy limits.

iv.
Maximizing Association Assets and Minimizing Association Liabilities

In their efforts to replenish the Association's coffers, the Receiver and his team have not limited themselves to lawsuits and insurance claims. As discussed in the Receiver's regular Reports to this Court, he and his team have sold all unnecessary vehicles, using some of the proceeds to pay off all loans obtained by the prior Board to finance vehicles. The rest of those funds went directly into the Association's operating account. The sale of those unnecessary vehicles also resulted in substantial savings in automobile insurance premiums.

In addition, the Receiver's team discovered a lock box containing over $190,000.00 in homeowner payments. Some of these funds were used to pay off the balance of a loan procured by the prior Board with Popular Bank (which, at the time of the Receiver's appointment, had a balance of $435,547.67). The remainder of those funds ($133,500.00) went into the Association's operating account.

a.

A Workable, Fair Process for Collecting Delinquent Association Dues

The Receiver and his team have also instituted a collections procedure to recover outstanding homeowner dues, which are currently $1,438,350.00. That procedure reduces costs to the Association and the homeowners. In that same regard, the Receiver's legal team continues to litigate the 38 pending foreclosure cases to recover legitimate outstanding homeowner dues. The Receiver's primary objective is, and has been, to resolve those remaining cases as expeditiously as possible on favorable terms.

v.

Cleaning Up the Association's Finances: A Monumental Task

Unsurprisingly, the Association's financial records were in shambles when this receivership began. Audited financial statements had not been prepared since 2018, and the Association's financial records (and tax filings) were prepared by the same accountants that are now being sued; the Receiver promptly terminated those services upon his appointment.

Accordingly, the Receiver: 1) retained a forensic accountant to reconstruct the Association's (including homeowners') account records, which efforts have assisted in the Receiver's recovery efforts by identifying fraudulent payments made by the Association; 2) retained an independent certified public accountant specializing in homeowners' associations to potentially prepare the Association's audited financial statements for 2019 through 2022,[2] as well as to prepare the Association's tax filings for those same years; and, 3) will be retaining an

[2] The undersigned has been advised by the Association's independent certified public accountant that preparing reliable audited financial statements for the Association for 2019 through 2022 may not be possible. If not possible, and as any audited financial statements that the independent certified public accountants would be able to prepare would largely duplicate the work already conducted by the Association's forensic accounts (at a substantial additional cost to the Association), the Receiver's legal team is currently evaluating a request for a waiver from this Court to avoid having to prepare those statements. The reports of the work of the independent certified public accountants for 2019 through 2022 will be made available to all owners. If the Court approves, audited financial statements will be prepared starting January 1, 2023, and going forward.

additional, independent accounting firm to prepare the Association's statutorily required audits and tax filings going forward. The Receiver anticipates that the work performed by the Association's forensic accountants, as well as the preparation by the Association's independent certified public accountants of all required financial statements and tax filings through 2022, will be completed during the first quarter of 2024.

In addition, a new, comprehensive Association budget (a truly balanced budget), prepared by the Receiver and his team, was recently adopted by the Advisory Board. The adoption of that budget follows what has been the most transparent review and approval process for the Association in years. To that end, every homeowner, without exception, had the opportunity to question every expense, to provide input, and to attend all meetings concerning the 2024 budget.

vi.
The Association's Bill of Rights

Recently, and in large part in response to the fraud committed against the Association, the Florida Legislature amended Chapter 720 of the Florida Statutes to include added protections for homeowners. Those amendments went into effect on October 1, 2023.

The newly enacted amendments include time limits for noticing Board and member meetings, new requirements for the handling of homeowner deposits, new rules for levying fines against (and suspending) members (which limit an association's fining ability), and the specification of certain conduct in which association directors and officers are prohibited from engaging (and requirements for the removal of any director or officer who engages in such conduct), including actions that constitute fraudulent voting activity.

Although they are a step in the right direction, the Receiver does not believe that those amendments go far enough. Accordingly, the Receiver has instructed his team to develop a "Hammocks Homeowners' Bill of Rights" to address any gaps in the amendments to Chapter 720.

The Receiver wants to ensure that, going forward, the Association's homeowners will have the utmost protection from any potential abuses by any future Board, even if the Legislature has overlooked those protections. This Bill of Rights will be submitted to this Court for review and approval.

II.
WHERE WE GO FROM HERE:
THE RECEIVER'S RECOMMENDED TRANSITION PLAN

The stage is nearly set for the Receiver's exit. To protect the Association, however, that exit must be carefully planned and executed.

A.
Ensuring That the Advisory Board Is Ready to "Take the Wheel"

The Association's next election is scheduled for February 29th. The Receiver, however, does not believe that the newly elected Board will immediately be ready to take over the unguided, full-functioning operation of the Association.

As discussed above, one Advisory Board member (Villalobos) has conducted unrecorded, unauthorized secret meetings, has continued to do so despite being issued a Notice of Violation and otherwise instructed by the Receiver to cease all such meetings, and has unilaterally cancelled a Committee meeting at the last minute without providing appropriate notice and in contravention of the Receiver's direct instruction to proceed with that meeting. Although Villalobos is the only current Advisory Board member who believes that secret meetings are acceptable, and although he may or may not be elected to the next Advisory Board, other newly elected Advisory Board members may share his philosophy of secrecy and rogue tendencies. Any new Advisory Board members with a penchant for secrecy will need to be weeded out before the Advisory Board transitions into a full-fledged operating Board. The Receiver believes he is best able to assure the

sanctity of the Board and the Association's governance by remaining as a Monitor to both advise the Board and report to this Court.

i.
Early Small Problems Can Become Huge Problems

Moreover, certain Advisory Board members have repeatedly suggested hiring in-house legal and accounting consultants, rather than the outside, independent consultants retained by the Receiver.

To be sure, in-house consultants were one of the prior Board's "calling cards." There is no way to know if members' suggestions to hire in-house consultants arise from a sincere concern to save the Association money or to nefariously stage a coup to enrich their pocketbooks.

What is known: the prior Board was able to leverage concerns about outside and independent parties for their own purposes, including an in-house security force answerable only to the prior Board and used as its "enforcer" to conceal its fraudulent activities. Thus, any calls to use or hire any in-house consultants, vendors, etc. must be immediately rejected.

ii.
The Receiver's Concerns

In light of the foregoing, the Receiver has concerns that discharging this receivership upon the conclusion of the next election could lead the Association back down into a maelstrom of impropriety.

Care must be taken to safeguard that the newly elected Advisory Board and the members of the reconstituted committees are committed to complying with the Association's rules and regulations as well as the policies instituted by the Receiver during this receivership. If any are not, the Receiver must have sufficient time to remove them before being discharged.

Further, the Receiver wants to ensure that the newly elected Board and reconstituted committees sufficiently understand, and are fully equipped to handle, the operations of the Board

and its committees. Although some of the newly elected Board members and selected committee members may have previously served on this Association's (or another association's) Board or committees, many may have not, and it may take some time for them to get acclimated to their new roles as stewards of the Association. That was the case with the current Advisory Board and some of its committees, including the Governing Documents Committee (discussed above). The members of the newly elected Advisory Board and the Association's committees will need time to hit their leadership stride.

iii.
New Committees and Homeowner Participation

In addition: 1) one of the Board's Committees (the Public Safety Committee) is a newly formed committee; 2) another committee (the Landscaping Committee) is in the process of being formed (upon the recommendation of Advisory Board member Pete Cabrera); and, 3) the procedures for another committee (the Fining Committee) are still being formulated.

Accordingly, the Receiver recommends that the newly elected Advisory Board remain as an Advisory Board until its June 2024 meeting, at which time there should be a limited discharge of this receivership, for the reasons discussed below.

This timetable would also ensure that the preparation by the Association's independent certified public accountants of all financial statements and tax filings through 2022, as well as the work of the Association's forensic accounts, is completed prior to the limited discharge, which work the Receiver expects to be completed during the first quarter of 2024.

B.
Protecting the Association's Recovery Efforts

As noted above, the Receiver has three pending lawsuits to recover additional monies for the Association against: 1) the Association's primary prior attorneys; 2) Gallego's personal criminal attorneys, who were improperly paid with Association monies; and, 3) other of the

Association's "insider" consultants, all of which assisted the prior Board in committing or attempting to evade responsibility for their fraudulent activities. In addition, the Receiver has a claim pending with the Association's Crime insurer and may soon be required to file a lawsuit against that insurer. In all, pursuant to those lawsuits and that claim, the Receiver is seeking the recovery of millions of dollars for the Association.

i.
The Legal Benefits of a Limited Receivership

To discharge this receivership in full prior to the culmination of those matters would potentially jeopardize the Association's claims. Doing so would strip the Association of benefits that Florida law provides to entities during a receivership, which benefits have helped secure the $2.85 million already recovered by the Receiver and his legal team. Accordingly, the discharge of this receivership—as part of the transition of this receivership to a monitorship, as discussed below—should be limited to all non-litigation and matters not related to insurance.

ii.
A Receivership "Cleanses" an Abused Corporation

A "corporation is not human and [] the sins of its principals do **not** transfer to the corporation." *Freeman v. Dean Witter Reynolds, Inc.*, 865 So. 2d 543, 550 (Fla. 2d DCA 2003) (emphasis added). When a principal improperly utilizes a corporation in furtherance of a fraud designed for the principal's personal gain, as occurred here, the corporation "is a mere 'robotic tool' or 'evil zombie' of the principal." *Id.* (citing *Scholes v. Lehmann*, 56 F.3d 750, 754 (7th Cir. 1995)).

"Once [a] receiver takes over, the corporation is freed from its spell and returned to good citizenship;" the receivership "cleanse[s]" the corporation. *Freeman*, 865 So. 2d at 552 (noting that "[t]he distinction between an honest corporation with rogue employees . . . and a sham corporation created as the centerpiece of a Ponzi scheme . . . is both a legal and a practical

distinction."); *see also Scholes v. Lehmann*, 56 F.3d at 754; *Sallah ex rel. MRT LLC v. Worldwide Clearing LLC*, 860 F. Supp. 2d 1329, 1334 (S.D. Fla. 2011) ("After a corporation, which was used by its principals to defraud investors, has been 'cleansed' through receivership the corporation has viable claims against the principals or the recipients of fraudulent transfers of corporate funds to recover assets rightfully belonging to the corporation and taken prior to the receivership."); *Court Appointed Receiver of Lancer Offshore, Inc. v. Citco Group Ltd*., 2011 WL 1232869 *4 (S.D. Fla. 2011) (recognizing "the Receiver's unique position as receiver of the 'cleansed' Receivership Entities"); *Perlman v. American Express Centurion Bank*, 2020 WL 10181895 *4 (S.D. Fla. 2020) ("[O]nce [the subject principal] was removed and Plaintiff appointed Receiver, the Receivership Entities were 'cleansed' [and] deemed separate entities in the eyes of the law . . . .").

The Florida legislature has codified this proposition in Chapter 501 (Consumer Protection) of the Florida Statutes. *See* § 501.207(3), Fla. Stat. ("[T]he court may make appropriate orders, including, but not limited to, appointment of a . . . receiver . . . to bring actions in the name of and on behalf of the defendant enterprise, **without regard to any wrongful acts that were committed by the enterprise** . . . .") (emphasis added).

iii.
The "Adverse Interest" Exception to *In Pari Delicto*

The equitable doctrine of *in pari delicto* "bars recovery by a corporation whose sole shareholder is engaged in wrongdoing." *Liquidation Comm'n of Banco Intercont'l S.A. v. Renta*, 530 F.3d 1339, 1355 (11th Cir. 2008). "Where it is shown, without dispute, that a corporate officer's fraud **intended to and did benefit the corporation**, to the detriment of outsiders, the fraud is imputed to the corporation . . . ." *Seidman & Seidman v. Gee*, 625 So. 2d 1, 3 (Fla. 3d DCA 1992) (emphasis added).

In contrast, if "the agent's misconduct is **calculated to benefit the agent and harms the corporation**, the agent has forsaken the corporation and **acts only for himself**" and "the agent's misconduct is **not** imputed to the principal." *O'Halloran v. PricewaterhouseCoopers LLP*, 969 So. 2d 1039, 1045 (Fla. 2d DCA 2007) (emphasis added); *Beck v. Deloitte & Touche*, 144 F.3d 732, 736 (11th Cir.1998); *Scholes v. Lehmann*, 56 F.3d at 754–55 (noting that "the corporation would not be heard to complain [about the subject fraud] as long as they were controlled by [the subject shareholder]" and that the rationale underpinning the doctrine of *in pari delicto* "falls out now that [he] has been ousted from control of and beneficial interest in the corporations. . . . Put differently, the defense of *in pari delicto* loses its sting when the person who is *in pari delicto* is eliminated."). This is known as the adverse interest exception to the doctrine of *in pari delicto*.[3]

To determine whether this exception applies, courts look to whether the corporation "received any benefit from the agent's misconduct." *In re: Phoenix Diversified Inv. Corp.*, 439 B.R. 231, 242 (Bankr. S.D. Fla. 2010) (citing *Seidman & Seidman v. Gee*, 625 So. 2d at 3); *see also Liquidation Comm'n of Banco Intercont'l S.A. v. Renta*, 530 F.3d at 1355 (finding that the adverse interest exception applied as the subject principal looted the corporation).

When this exception applies, "the corporation is **free from wrongdoing** and is not subject to the *in pari delicto* defense." *In re: Phoenix Diversified Inv. Corp.,* 439 B.R. at 242 (citing Jonathan Witmer–Rich & Mark Herrmann, Corporate Complicity Claims: Why There is No Innocent Decision–Maker Exception to Imputing an Officer's Wrongdoing to a Bankrupt Corporation, 74 Tenn. L. Rev. 47, 60 (2006)).

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[3] As an exception to that exception, the "sole actor" doctrine provides that the adverse interest exception is inapplicable "where the officer in question is the sole representative of that corporation" or, when a corporation has multiple officers and directors, when "all relevant shareholders and decision-makers were involved in the fraud." *Ernst & Young v. Bankruptcy Servs*. (*In re CBI Holding Co*.), 311 B.R. 350, 373 (S.D. N.Y. 2004); *Gordon v. Basroon* (*In re Plaza Mortg. & Fin. Corp*.), 187 B.R. 37, 45 n. 6 (Bankr. N.D. Ga.1995).

iv.
A Limited Discharge Safeguards the Association's Legal Interests

The misfeasance of the prior Board should not be imputed to the Association (whether under a receivership or not), as: 1) the purpose of the prior Board's misconduct was clearly the self-interests of the prior Board members; and, 2) the conduct clearly harmed the Association.

However, to maintain the "cleansing" effect of this receivership and preserve the Association's ability to counter any attempts by adverse parties in litigation to impute the prior Board's conduct to the Association or assert the *in pari delicto* defense, the Receiver recommends to this Court that, upon the transition of the Advisory Board to a full-functioning Board, this Court: 1) maintain this receivership for purposes of litigation and insurance clams by the Association; and, 2) for all other purposes, transition this receivership into a monitorship through at least the end of 2024, as discussed below.

C.
From Receiver to Monitor

To best ensure that the reborn Association does not once again fall prey to self-interests,[4] the Receiver should (as to all litigation and insurance-related matters) remain as Court-appointed Monitor.

In that regard, the Receiver recommends that, upon the transition from the Advisory Board to a full-functioning Board, the Court appoint the Receiver as Monitor and permit the Receiver (as Monitor) to, for all litigation or insurance-related matters, continue to: 1) have full, immediate access to the Association's financial and bank records and Board and Committee minutes; 2) be permitted to attend all Board and Committee meetings; 3) make recommendations to the Board

[4] The Receiver has become aware that, in fact, a local condominium association recently reverted back to its old ways after it emerged from receivership.

and its Committees; 4) make decisions for the Board, as needed, including when (due to the absence of Board members) such a decision is needed to break a tie, or otherwise as deemed necessary by the Receiver (as Monitor), with Court approval; 5) approve the retention and termination of all vendors, attorneys, accountants, and other professionals as well as the payment of all expenses; and, 6) otherwise oversee the Association's operations to ensure strict compliance with this Court's Orders, the Association's rules and regulations, and the Association's Bill of Rights, and otherwise secure the policies instituted by the Receiver and his team during this receivership.

i.

It is Easier to Destroy Than It Is to Build: Protecting the Future

A monitorship is necessary considering the already clear signs that some at the Association are not ready to abandon the prior Board's practices of secrecy and complete internal control of all aspects of the Association. Ignoring those signs could result in destroying all that has been built in the past thirteen months.

The Receiver recommends that this monitorship remain in place at least until the end of 2024. By December 1, 2024, the Receiver will provide this Court with a report detailing his evaluation of the Association's progress and, dependent upon that evaluation, his recommendation for a full discharge either at the end of 2024 (as currently anticipated) or at a later day. Regardless of the timing, and to avoid the mistakes of the past, the Receiver recommends that before full discharge the Association should be ordered to maintain, at all times, independent and (as applicable) licensed vendors, attorneys, accountants, and other professionals, including, but not limited to, an independent, professionally licensed property manager.

D.
The Receiver as Ongoing Election Monitor to Ensure That the Association's Elections Remain Free and Fair

In addition to serving as Monitor at least through the end of 2024, the Receiver recommends that he remain Election Monitor (as provided for in the election procedures recently approved by the Court) until this Court is satisfied that the Association's elections are fully protected and do not require outside oversight.

The prior Board maintained its ironclad grip on the Association by hijacking its elections. That tactic was one impetus for Danton instituting this lawsuit. If rogue Board members do find their way onto the Board, free and fair elections are necessary to ensure that bad actors are weeded out and the Association remains at the homeowners' (and not self-interested Board members') service. As history has taught us, outside oversight is a valuable tool to ensure that such elections occur in the Hammocks. Such oversight (by the Receiver as Election Monitor) should remain in place until this Court is completely confident that the Association's elections are protected from improper influences.

WHEREFORE, the Honorable David M. Gersten (Retired), as Court-Appointed Receiver, respectfully requests that the Court enter an order: (1) adopting the Receiver's recommended transition plan, as detailed above; and (2) granting such further relief as the Court deems just and proper.

Respectfully submitted this 15th day of December, 2023.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served through the Florida Court's E-Filing system upon all Counsel of Record, this 15th day of December, 2023.

/s/ Eric R. Thompson
Eric R. Thompson, Esq.