

# TOWN HALL MEETING III



HAMMOCKS COMMUNITY  
ASSOCIATION  
HOME OWNERS ASSOCIATION

**Judge David M. Gersten (Ret.)**

**Partner, Gordon & Rees  
Miami, Florida**

**March 22, 2023**



# Receiver's Goal: Same

*I want to guide your Association to a new era; an era of transparency and fairness going forward.*



# WHERE WE WERE ON DAY 1

## REMOVING THE CANCER

- Rampant fraud
- No accounting or transparency
- Exorbitant legal fees
- Henchmen security
- Meritless lawsuits
- Dangerous landscaping
- Board arrests



# HOW MUCH HAVE WE LOST?

## DAMAGE ASSESSMENT

- Forensic auditors revealed:
  - 15 on payroll related to prior board
  - 55 bank accounts and credit cards
  - Untreated lakes and beaches
  - Dangerous landscaping conditions
  - Over \$3.4 million in fraud
    - Payments to board members and relatives
    - Kickbacks among vendors

# HOW MUCH HAVE WE LOST?

## PRIOR LEGAL FEES

- \$3.2 million in legal fees: 2019 until Receiver
  - \$1,295,000 – Hilton Napoleon PA
  - \$222,037 – Rasco Klock
  - \$257,237 – Alfaro and Fernandez
  - \$100,000 – Paul Arcia PA
  - \$825,000 – Gallego's criminal defense team
  - Balance among eleven (11) other law firms

# WHAT HAVE WE DONE?

## FIGHT BACK

- \$3.4 million fraud insurance claim
- Claw backs from prior attorneys
- Treated your lakes, beaches, and landscaping
- Upgraded security
- Rectified governing documents
- Defending over 50 lawsuits
- Prepared your budget



# WHAT HAVE WE DONE?

## BUDGET

- Master quarterly assessment: \$236.30
  - Equivalent to \$78.77 monthly through 2023
  - First quarter was \$42.67 monthly
  - Total payments are calculated as follows:

Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
\$42.67	\$42.67	\$42.67	\$78.77	\$78.77	\$78.77	\$78.77	\$78.77	\$78.77	\$78.77	\$78.77	\$78.77

- Total for 2023 = \$836.92
  - Divided by 12 = \$69.74 monthly
  - 63.45% overall increase from \$42.67



# OWNER FEEDBACK

## WHY IS THE BUDGET HIGHER?

- Unrecovered fraud
- Outstanding bank loans
- Receivership fees
- Increased insurance cost
- Contingency for lawsuits

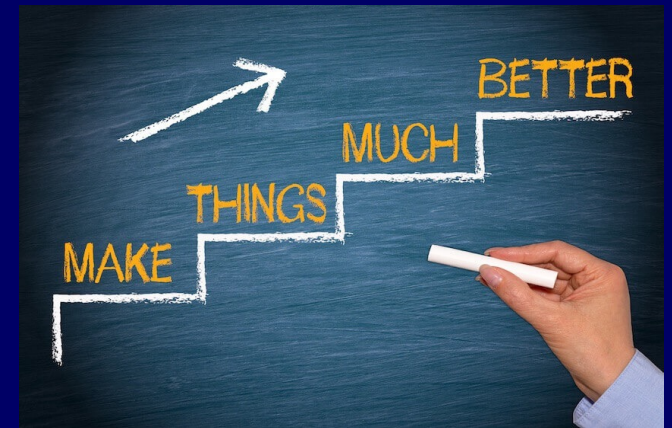




# OWNER FEEDBACK

## WHY IS THE BUDGET HIGHER?

- Property Management fees
- Security fees
- Landscaping rehabilitation
- Lake and beach treatment
- Repairs for two (2) clubhouses
- Maintenance of common areas



# OWNER FEEDBACK

## WHAT ABOUT NEXT YEAR?

- Assessments readjusted based on finances
  - Fraud funds recovered from insurance
  - Prior legal fees clawed back
  - Decrease in receivership fees
  - No rehab for landscaping, beaches, or lakes
  - Clubhouses and commons areas restored
  - Vehicles sold
  - Contingency funds repurposed



# WHAT'S TO COME?

## ELECTION SCHEDULE

- Early Voting
  - Saturday – 3/25 10am to 2pm
  - Monday – 3/27 9am to 5pm
  - Tuesday – 3/28 9am to 7pm (open late)
  - Wednesday – 3/29 9am to 9pm (open late)



# WHAT'S TO COME?

## ELECTION DAY

- Annual Meeting and Election – Thursday 3/30
  - Voting 9am to 6pm
  - Ballot counting starting at 6pm
- All ballots will be scanned and posted
- First Board Meeting – Friday 3/31



# WHAT'S TO COME?

## ELECTION SECURITY

- 24/7 LIVE STREAMING of ballot box
- LIVE STREAMING of ballot counting
- Control numbers on ballots and envelopes
- Ballot box will be bolted to the ground
- Only Receiver's team allowed near the ballots



# Hound Dog Productions 2023

