

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
West Palm Beach Division

IN RE:

FREDERICK KEITEL,

Debtor.

CASE NO. 15-21654

CHAPTER 11

SECOND AMENDED DISCLOSURE STATEMENT

The Debtor, FREDERICK KEITEL, submits this Disclosure Statement to its creditors and other parties in interest. The approval of the Disclosure Statement is not tantamount to a decision by the Court on the merits of the Plan.

I. INTRODUCTION

A. Purpose of this Document.

This Disclosure Statement is submitted pursuant to the requirement imposed on the proponent of a Plan of Reorganization by 11 U.S.C. § 1125. The purpose is to disclose information deemed to be material, important, and necessary for the creditors to arrive at a reasonably informed decision in exercising their right, or to vote for acceptance or rejection of the Plan of Reorganization. This Disclosure Statement should be read in conjunction with the accompanying Plan of Reorganization. The Plan is a legally binding document once it is approved by the Court, and should be read in its entirety. Accordingly, creditors may wish to consult with their own attorney to more fully understand the Plan.

No representations concerning the Debtor, its future business operations, the value of its property or the value of any benefits offered to holders of claims or interests in connection with the Plan are authorized other than as set forth in this Disclosure Statement. Any representations or inducements made to secure acceptance of the Plan other than those contained in this Disclosure Statement should not be relied upon by a creditor or interest holder. Any such additional

representations and inducements should be reported to counsel for the Debtor at the address below and to the United States Trustee.

The information contained in this Disclosure Statement has not been subject to certified audit and is based in large extent on information maintained and collected by the Debtor. While every effort has been made to provide the most accurate information available, the books and records of the Debtor are not warranted or represented to be completely and historically accurate. Further, much of the information contained herein consists of projections of future performance. While every effort has been made to insure that the assumptions are valid and that the projections are as accurate as can be made under the circumstances, neither the Debtor nor its accountant undertakes to certify or warrant the absolute accuracy of the projections.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Confirm the Plan

The hearing at which the Court will determine whether to confirm the Plan will take place on _____, in Courtroom A, Room 801, at 1515 North Flagler Drive, West Palm Beach, FL 33401.

2. Deadline for Voting to Accept or Reject the Plan

If you are entitled to accept or reject the plan, vote on the enclosed ballot and return the ballot to the United States Bankruptcy Court, 1515 N. Flagler Drive, Room 801, West Palm Beach, FL 33401. See section VIII for a discussion of voting eligibility requirements.

The ballot must be received by _____ or it will not be counted.

3. Deadline for Objecting to the Confirmation of the Plan

Objections to the confirmation of the Plan must be filed with the Court and served upon the

Debtor, Frederick J. Keitel, III, P.O. Box 3243, Palm Beach, FL 33480; Ariel Rodriguez, Office of the U.S. Trustee, 51 S.W. First Ave, Suite 1204, Miami, FL 33130; and all interested parties by

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact Frederick J. Keitel, III, Palm Beach, FL 33480.

5. Effective Date. As the term is used in this disclosure statement and the plan of reorganization, the effect date shall be 10 days after the date the Order of Confirmation becomes final.

II. BACKGROUND

The Debtor, Frederick Keitel, is an individual that, at the time of the filing, owned various interests in companies that own valuable commercial real estate. At the time of the filing of his case, the Debtor's companies and their assets were valued at over \$30,000,000.00.

<u>Company</u>	<u>% ownership</u>	<u>Assets owned</u>	<u>Value of assets</u>
FJK Properties	100%	230 Royal Palm Way	\$ 5,733,333.00 (net value)
FJK III Properties	100%	240 Royal Palm Way	\$ 1,566,666.00 (net value)
FJK IV Properties	100%	50 % interest in FJK-Tee Jay 241 Royal Palm Way	\$ 6,750,000.00
KMS Restaurant Corp	100%	malpractice claim (claim against Cohen, Norris et al And Katzman Wasserman et al)	\$ 4,000,000.00
Frederick J. Keitel, III, P.A.	100%	none	\$ 0.00
WMK Properties	100%	5829 Corporate Way	\$ 334,203.00 (net value)
FJK Management, LLC	100%	none	\$ 0.00
Florida Capital Management	100%	237 Brazilian Ave.	\$ 5,500,000.00

Palm Beach Executive Suites 100%	none	\$	0.00
812 Investors 100%	none	\$	0.00

At the time of the filing, the Debtor individually owned property located at 412 Brazilian Ave, Palm Beach, FL. That property was sold and the Debtor netted \$1,400,000.00. The Court approved an order allowing PNC to be paid \$1,175,000.00, leaving \$305,958.81 which is being held in the trust account of Furr and Cohen. Those funds are subject to the claims of creditors Thomas B. D'Agostino and Tasha Enterprises. The Debtor filed an adversary complaint to determine the validity, priority and extent of the liens on the property, Adv. Case No. 16-01042. Thomas B. D'Agostino's lien on the proceeds has been satisfied.

At the time of the filing of the case, the Debtor was involved in litigation with his corporate partners relating to FJK IV Properties' interest in FJK-Tee Jay. FJK-Tee Jay, Ltd and the Debtor received numerous letters of intent to purchase and contracts to purchase the property owned by FJK-Tee Jay for \$12,200,000.00 with substantial earnest money deposits and a quick cash closing. The D'Agostinos refused to consider or negotiate with any buyers, creating further disruption to the Debtor's ability to reorganize. See attached composite exhibit A.

The Debtor also is involved in litigation relating to his company, Florida Capital Management ("FCM"). FCM filed bankruptcy, but the bankruptcy was voluntarily dismissed on May 24, 2016. FCM owns a piece of property worth approximately \$5,500,000.00. Despite the litigation, the Debtor is redeveloping that property. To date, the Debtor and FCM has obtained Architectural Commission ("Arcom") approval from the Town of Palm Beach, furnished all drawings for the property, hired a contractor and architect, and secured \$5,200,000.00 financing for the project, which will dramatically increase the value of the property. After the development is finished, it is expected that FCM will realize a profit of 5,00,000.00 to \$6,000,000.00. In fact, FCM has already received interest in the purchase of at least one of the luxury townhomes. However, the Trust and its trustee, Thomas

D'Agostino, Sr., have been tortuously interfering with the development of the property and reorganization plan, to the detriment of all creditors.¹

Since the filing of the case the properties owned by FJK Properties (230 Royal Palm Way) and FJK III Properties (240 Royal Palm Way) have been sold. The Debtor did not receive any proceeds. However, one of the creditors in this case, Thomas D'Agostino, Sr., was paid \$4,431,615.55, satisfying his claim. There may be a remaining claim related to attorney's fees. The remaining portion of the claim may be secured by the Debtor's stock in FJK IV Properties.

WMK also filed for chapter 11 bankruptcy. The case was converted to Chapter 7 on October 29, 2015, The Debtor no longer has any interest in WMK,. The profits that could have been obtained from this property were squandered by the appointed trustee, the lawyers and the real estate brokers to the detriment of the creditors.

III. FINANCIAL INFORMATION

The Debtor has filed schedules of assets, liabilities, income and expenses, a Statement of Financial Affairs, and Monthly Operating Reports which contain the most accurate and current information available to the Debtor.

A. Real Property. The Debtor does not presently own any real property in his name.

B. Personal Property. The Debtor holds stock in various companies that own valuable pieces of property. The remaining assets are:

<u>Company</u>	<u>% ownership</u>	<u>Assets owned</u>	<u>Value of assets</u>
FJK IV Properties	100%	50 % interest in FJK-Tee Jay 241 Royal Palm Way	\$ 6,750,000.00
KMS Restaurant Corp	100%	malpractice claim (claim against Cohen, Norris et al And Katzman Wasserman et al)	\$ 4,000,000.00
Florida Capital Management	100%	237 Brazilian Ave.	\$ 5,200,000.00

¹ In his deposition taken on September 29, 2016, Mr. D'Agostion refused to answer any questions and was advised by counsel not to answer questions. See deposition attached as exhibit .

FJK-Tee Jay, Ltd distributions	\$ 750,000.00
Claim relating to overpayment of FCM note	\$ 884,000.00

The Debtor has household goods, personal electronics, and clothes that have a combined value of \$37,000.00.

The Debtor is owed money by business partners and has claims against those business partners. He also has potential malpractice claims. The value of these asserts are unknown, but are believed to exceed \$30,000,000.00.

C. Ability to Fund and Complete Plan

The Debtor's financial problems stem mostly around his dispute with his partners, Thomas D'Agostino, Sr., Thomas D'Agostino, Jr. and the Trust. Much of the dispute centers around a \$1,230,000 wire transfer to the trust account of Robert King, the attorney for the Trust. Thomas D'Agostino, Sr. failed to recognize this payment as a partial payment on the mortgage, but instead, insisted it was a gift to Mr. D'Agostino. This testimony was deemed unbelievable by Judge Hyman in a six-hour hearing held on April 15, 2015. See attached order by Judge Hyman as part of composite Exhibit B. On July 11, 2016, Mr. King changed his testimony and admitted he represented the Trust at the time he received the \$1,230,000 from FCM's lawyer. This testimony contradicted his testimony before Judge Hyman. See deposition of Robert King attached hereto as Exhibit C. The Debtor believes he will prevail in that lawsuit, which will result in the Debtor having additional assets of approximately \$10,000,000.00.

Aside from the alleged, disputed amount owed to them and their affiliates, the Debtor has listed on his schedules less than \$200,000.00 to undisputed creditors. The Debtor will be able to pay this amount off within 18 months of the confirmation of his plan from the income of \$15,000 - \$25,000 per month that he will generate as the developer of the FCM property, as well as the \$10,000.00 per month he is owed from FJK-Tee Jay that is currently being withheld by the D'Agostinos. The details of the

development are set forth below.

The Debtor's wholly owned entity, FCM, owns, 237 Brazilian Ave., which has an approximate worth of \$5,500,000.00. See Appraisal attached as Exhibit D. The Debtor has already taken steps to maximize the value of the 237 Brazilian property. FCM has spent over \$400,000.00 towards the redevelopment. The Debtor's company, Florida Capital Management, is placing \$5,200,000 in escrow as an investment commitment from Peter Callahan to build two 5,660 square foot townhomes. The estimated cost of construction of the townhomes is \$4,800,000.00. Architectural have been approved by the town of Palm Beach and the property is ready to develop. It is estimated that the project will be complete within 12 to 13 months. Based on the price per square foot in the area as well as recent sale comparisons on the same street, these homes will have a value of \$7,500,000 to \$8,000,000 each, resulting in a profit of \$5,000,000 - \$6,000,000. During the course of this development, the Debtor will receive an income of \$15,000.00 - \$25,000.00 per month as a development fee. Copies of the plans are attached hereto as Exhibit E.

Another of the Debtor's companies, FJK IV Properties, is the 50% owner of income generating property. The Debtor, through his company, has a claim for distributions exceeding \$750,000.00 and is owed \$10,000.00 per month.

IV. EXECUTORY CONTRACTS

The Debtor does not have any pre-petition executory contracts.

V. LIQUIDATION ANALYSIS

Estimated value of assets:

<u>Company</u>	<u>% ownership</u>	<u>Assets owned</u>	<u>Value of assets</u>
FJK IV Properties	100%	50 % interest in FJK-Tee Jay 241 Royal Palm Way	\$ 6,750,000.00
		Past due distributions	\$ 750,000.00
		Civil claims	\$20,000,000.00

	(claim against Christu, Hart, Shutts & Bowen, et al.)	
KMS Restaurant Corp 100%	malpractice claim (claim against Cohen, Norris et al And Katzman Wasserman et al)	\$ 4,000,000.00
Frederick J. Keitel, III, P.A. 100%	none	\$ 0.00
FJK Management, LLC 100%	none	\$ 0.00
Florida Capital Management 100%	237 Brazilian Ave.	\$ 5,500,000.00
	Overpayment on note	\$ 884,000.00
Palm Beach Executive Suites 100%	none	\$ 0.00
812 Investors 100%	none	\$ 0.00
Personal property		\$ 37,000.00
Potential claims/lawsuits		\$30,000,000.00
	Amount available for unsecured creditors	\$67,921,000.00
Administrative Claims	\$ 200,000.00	
(* \$150,000 of admin claims are disputed)		
Priority Claims	\$ 20,008.67	
		<hr/>
	Amount available for general unsecured creditors	\$67,700,991.33

VI. SPECIAL RISK FACTORS

Certain substantial risk factors are inherent in most plans of reorganization in Chapter 11 cases. If such plans are accepted, it is usually because they represent a far greater return in dividends than in a liquidating Chapter 7 case. There is no risk in this plan to undisputed unsecured creditors. They will be paid in full on the effective date. The Debtor expects to pre-sell one of the townhomes within 4-6 months of the start of construction. The Debtor's success is also predicated on his success with litigation with his business partners. These business partners are fully protected by the value of the

property (\$5,500,000.00) owned by the Debtor and the escrowed amount of \$5,200,000.00 for FCM. The risk to all creditors is mitigated by the value of the various properties. The creditors would all be paid in full if the Debtor is not able to make the proposed payments and the property is liquidated. However, the Debtor would needlessly be denied the ability to realize profits of \$5,000,000.00 to \$6,000,000.00 after all creditors are paid 100% on the dollar.

ALL THE RISK FACTORS INHERENT IN A PLAN OF REORGANIZATION UNDER CHAPTER 11 ARE PRESENT IN THIS CASE. CREDITORS ARE URGED TO CAREFULLY READ THIS DISCLOSURE STATEMENT AND THE ACCOMPANYING PLAN OF REORGANIZATION SO THAT AN INFORMED JUDGMENT CAN BE MADE WITH RESPECT TO VOTING ON THE PLAN.

VII. SUMMARY OF NON-BANKRUPTCY LITIGATION

At the time of the filing of the case, the Debtor had the following pending cases in state court:

FJK IV Properties, Inv., et al. vs. FJK-Tee Jay, Ltd, et al. 2012CA023240: Action for partition, fraud, tortuous interference. No action has been taken on this case since February, 2016.

Thomas D'Agostino vs. Frederick Keitel, III, et al, 2013CA004692: Foreclosure of property. Judgment entered, plaintiff satisfied from sale of property. Dispute exists as to amount of attorneys' fees.

Thomas B. D'Agostino, Sr., et al. vs. Florida Capital Management, et al. 2013CA004699: Action against FCM to foreclose on property.

Thomas B. D'Agostino vs. Frederick Keitell, III, 2015A000166: Final Judgment entered, satisfied by sale of property.

PNC Bank, N.A. vs. Frederick Keitel, III, et al. 2015CA010746: Final judgment entered. PNC has been fully satisfied with approval by this Court.

FJK IV Properties, Inc., et al. vs. Thomas B. D'Agostino, Jr. et al. 2015CA011522: Complaint for damages and injunctive relief. Amended complaint is pending. There has been no activity since

February, 2016.

Tee Jay of Florida, RLLP v. FJK IV Properties, Inc., 2016CA010381: Initial Complaint filed. Case is without merit. Answer and counterclaims for fraud, conspiracy, and other causes of action are pending. Removal to the U.S. District Court is also pending.

VIII. CLAIMS

The deadline to file a proof of claim was April 7, 2016.

The Internal Revenue Service has filed a claim for estimated taxes in the amount of \$39,815.37. The amount of \$20,008.67 is claimed as a priority claim. The claim is based on unfiled returns for 2011 and 2014. The Debtor has been unable to file a return for other tax years because his business partners have failed to provide necessary documents to complete a return, in an attempt to tortuously interfere with this reorganization plan.

The secured claim filed by Thomas D'Agostino, Sr. in the amount of \$4,195,044.20 was satisfied on February 5, 2016 when he received a payment of \$4,431,815.55.

Claim number 4 filed by FJK-Tee Jay of Florida and Thomas D'Agostino, Jr. is disputed and is being liquidated in state court proceedings. The Debtor initially filed an original lawsuit against the claimant and the D'Agostinos for damages in excess of \$20,000,000.00. The claim filed against the Debtor in this case is retaliatory, unsubstantiated, and based on fraud.

Claim number 10 filed by Thomas D'Agostino, Sr. and Thomas D'Agostino, Jr as Trustees arises from a guarantee of a debt alleged owed by Florida Capital Management. That claim is disputed and being litigated in state court. The claim is a contingent claim for \$4,548,706.09. The property that secures the debt is valued at \$5,500,000.00. Consequently, it is unlikely that the Debtor will have any liability for this claim. Further, neither the Debtor nor Florida Capital Management is liable to the claimant. Rather the claimants owe Florida Capital Management \$884,803.00 as a result of overpayments. The Trust's claim, through the testimony of Thomas D'Agostino, Sr., that the disputed \$1,230,000.00 wire payment was a gift, has already been discounted by this Court when Chief Judge

Paul Hyman, Jr. described Mr. D'Agostino, Sr.'s testimony as not believable or credible after a six hour evidentiary hearing on April 15, 2015. See exhibits B and C.

The claim of Tasha Enterprises is partially secured by funds held in trust by Furr and Cohen. A portion of Tasha Enterprises claim will be paid from the remainder of the amount being held in Trust.

Other unsecured, undisputed claims, filed and unfiled, amount to \$131,906.54.

IX. SUMMARY OF PLAN OF REORGANIZATION

A. Purpose of the Plan of Reorganization

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has not placed the following claims in any class:

1. Administrative Claims

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under § 507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

Administrative claims:

Professional fees:	estimated \$200,000.00 (*most of this amount is disputed)	Subject to Court authorization, to be paid in
--------------------	--------------------------------------------------------------	--------------------------------------------------

full on effective date
or as agreed to by attorney
and Debtor.

Office of the US Trustee current

Paid in full on effective date

2. Priority Claims

The Internal Revenue Service has filed a priority claim for estimated taxes in the amount of \$20,008.67. The debtor will pay this amount in full by on the effective date.

C. Classes of Claims and Equity Interests

The Plan shall provide for the payment of all expenses of this proceeding, including fees due the Office of the U.S. Trustee. The accompanying Plan of Reorganization divides creditors into the following classes:

Class 1 –PNC Mortgage. PNC has filed a secured claim in the amount of \$1,204,102.08. Furr and Cohen was holding \$1,400,000.00 from the sale of the Debtor’s property located at 412 Brazilian Court. PNC has been paid an agreed reduced amount of \$1,175,000.00 from these proceeds in September, 2016.

Class 2 – Thomas D’Agostino, Sr. D’Agostino, Sr. has filed a secured claim in the amount of \$4,195,044.20. D’Agostino has been paid the sum of \$4,431,815.55 and the claim is satisfied.

Class 3 – Tasha Enterprises, Inc. Tasha Enterprises has filed a secured claim in the amount of \$403,543.29. The claim is secured by proceeds from the sale of the property located at 412 Brazilian Court. It is estimated that Tasha has a valid secured claim in the approximate amount of \$125,000.00 which will be satisfied from the funds held by Furr and Cohen. The remaining amount owed will be paid in full upon the sale of one of the Palm Beach townhomes.

Class 4 – Tee Jay of Florida. FJK-Tee Jay has filed two unsecured claims, one in the amount of \$5,923,551.31 and the other in the amount of \$504,948.49. The Debtor has a lawsuit against the claimant for \$20,000,000.00. Both claims are unsubstantiated and are being litigated in the 15th

Judicial Circuit in and for Palm Beach County, FL² If FJK-Tee Jay is successful, it will be able to execute on ownership interest of the Debtor in FJK IV Properties. Based on offers sent to FJK-Tee Jay, Ltd to purchase the property and rejected by Jonathan D'Agostino, the Debtor estimates the value of his ownership interest in FJK IV Properties is approximately \$6,750,000.00.

Class 5 – Thomas D. D'Agostino, Jr. as Trustee filed a claim on behalf of the Thomas B. and Elzbieta M. D'Agostino 1997 CRT. The Trust's claim is a contingent claim in the amount of \$4,548,706.09. This claim is unsecured as to the Debtor but is secured by property owned by Florida Capital Management. The claimant has been fully satisfied and, in fact, owes the Debtor \$884,802.00. This claim is being litigated in the 15th Judicial Circuit in and for Palm Beach County, FL. The value of the property in its present state is \$5,500,000.00. If it is determined that the Debtor is not owed money from the claimant, the claimant will be fully satisfied from the property and will have no remaining claim against the Debtor, and Debtor's present value of \$5,500,000.00 and development profits of \$5,000,000.00 - \$6,000,000.00 will total \$10,500,000.00 - \$11,500,000.00. The Debtor will be filing a motion to estimate this claim pursuant to 11 U.S.C. § 502(c)(1).

Class 6 – Unsecured creditors. Excluding the remaining unsecured portion of Tasha Enterprises, the total amount of undisputed unsecured claims, including the IRS unsecured claim, and is approximately \$151,713.24. Unsecured creditors will be paid in full on the effective date.

Class 7 – The Debtor shall retain all property of the estate.

The Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. Section 1930(a)(6) within ten (10) days of the entry of this order for pre-confirmation periods and simultaneously provide to the United States Trustee an appropriate affidavit indicating the cash disbursements for the relevant period. The reorganized Debtor shall further pay the United States

² Thomas D'Agostino, Jr. has already admitted under oath that part of the allegations have no merit or basis in fact regarding the loss of income on Citicorp's lease and that there was never a mortgage on the property at 241 Royal Palm Way, Palm Beach, FL, from January, 2013 until September, 2014. Judge Cox raised concerns as to whether the 241 Royal Palm Way property was properly redeemed.

Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) based upon all disbursements of the reorganized debtor for post-confirmation periods within the time period set forth in 28 U.S.C. § 1930(a)(6), until the earlier of the closing of this case by the issuance of a Final Decree by the Court, or upon the entry of an Order by this Court dismissing this case or converting this case to another chapter under the United States Bankruptcy Code, and the party responsible for paying the post-confirmation United States Trustee fees shall provide to the United States Trustee upon the payment of each post-confirmation payment an appropriate affidavit indicating all the cash disbursements for the relevant period.

The plan proposes to pay all costs and expenses of administration within thirty days of the date of confirmation of the Plan, or within such additional time as the administrative claimants may allow. The total amount of administrative expenses has not yet been determined, but will be set by the Court at the hearing on the confirmation of the Plan.

The plan will be funded by the income to be received by the Debtor as the developer of the Florida Capital Management project and money in escrow. The Plan of Reorganization is deemed by the Debtor to be feasible and secured.

X. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requires that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor at least as much as the creditor would receive in a chapter 7 liquidation case, unless the creditor votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the

requirements for confirmation are not met.

Many parties in interest, however, are not entitled to accept or reject the Plan. A creditor has a right to vote for or against the Plan only if that creditor has a claim that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. What is an Allowed Claim?

Only a creditor with an allowed claim has the right to vote on the Plan. Generally, a claim is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim, unless an objection has been filed to such proof of claim. When a claim is not allowed, the creditor holding the claim cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was April 7, 2016

2. What is an Impaired Claim?

As noted above, the holder of an allowed claim has the right to vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. Who is Not Entitled to Vote?

The holders of the following types of claims and equity interests are not entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;

- holders of claims and equity interests that are not “allowed claims” or “allowed equity interests”, unless they have been “allowed” for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3) and (a)(8) of the Code;
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan; and
- administrative expenses

Even if you are not entitled to Vote on the Plan, you have a right to object to Confirmation of the Plan.

4. Who Can Vote in More than One Class?

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise holds claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class of creditors, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting classes as discussed below in Section B.2.

1. Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half ($\frac{1}{2}$) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds ($\frac{2}{3}$) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

2. Treatment of Nonaccepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes or of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a “cram down” confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

XI. EFFECT OF CONFIRMATION

In accordance with 11 U.S.C. § 1141(d)(5), the Debtor will not, without court order, be entitled to a discharge until all payments are made pursuant to the terms of the Plan.

The Debtor will seek to have the case administratively closed until all payments are made and the Debtor is entitled to a discharge.

XII. CONCLUSION

The Plan offers to pay all undisputed creditors in full.



Frederick Keitel, III

EXHIBIT A

T 212 490.2626
F 212 490.1060

PROPERTY GROUP PARTNERS
669 FIFTH AVENUE SIXTH FLOOR NEW YORK, NEW YORK 10017-1021

May 27, 2016



Ms. Lorrie Garbarz
Principal
Private Asset Exchange
Pinnacle Real Estate Associates
625 N. Flagler Drive, Suite 402
West Palm Beach, FL 33401

Re: 241 Royal Palm Way, Palm Beach, FL

Dear Lorrie:

On behalf of an entity formed by affiliates of Property Group Partners and a subsidiary of W. R. Berkley Corporation ("Purchaser"), I am pleased to submit this non-binding proposal to purchase the Property described below from the current owner ("Seller").

The general terms are as follows:

- Property:** Land and improvements located at 241 Royal Palm Way, Palm Beach, Florida, consisting of approximately 12,700 square feet of net rentable space that is fully leased to First Republic Bank (the "Property").
- Purchase Price:** An all cash purchase price of Twelve Million Two Hundred Thousand Dollars (\$12,200,000) (the "Purchase Price").
- Purchase Agreement:** Simultaneous with the Due Diligence Period (as defined below), Purchaser and Seller shall negotiate a definitive purchase and sale agreement (the "Purchase and Sale Agreement") containing customary representations, warranties, indemnification, conditions and escrows relating to the parties and the Property.
- Deposit:** Purchaser will post a deposit equivalent to ten percent (10.0%) of the Purchase Price in escrow (the "Deposit") upon execution of the Purchase and Sale Agreement. The Deposit will be refundable during the Due Diligence Period. Upon the closing of the transaction, the Deposit and all interest earned thereon shall be credited towards the Purchase Price.
- Due Diligence:** Purchaser requires forty-five (45) days to complete its full due diligence (the "Due Diligence Period"). During the Due Diligence Period, Purchaser must be entitled to have business-related discussions with representatives of First Republic Bank.
- Closing:** The closing of the transaction (the "Closing") shall occur within fifteen (15) days following the Due Diligence Period subject to the mutual satisfaction of the conditions set forth in the Purchase and Sale Agreement.

Page 2
May 27, 2016



Closing Costs: Purchaser and Seller shall each be responsible for all Closing prorations and adjustments customarily applicable to such party. Seller will be responsible for the documentary stamps tax and any other related transfer taxes. Purchaser and Seller shall each be responsible for their own transaction costs, including, but not limited to, legal fees.

Commissions: Purchaser has not engaged a broker in connection with this proposal. Purchaser shall be responsible for a brokerage commission due to Pinnacle Real Estate Associates equal to one percent (1.0%) of the Purchase Price should a transaction be consummated.

Source of Funds: The source of funds for the transaction will be provided by an entity formed by Purchaser, all cash.

Existing Financing: At Closing, the Property shall be free and clear of any and all existing financing and any liens related thereto.

Confidentiality: We request that this non-binding indication of interest and its terms be maintained in confidence.

This letter describes the general terms and conditions under which Purchaser would consider a purchase of the Property. This letter is for discussion purposes only and must not be understood as a commitment, notwithstanding anything to the contrary set forth herein. This letter is not binding in any way and none of Seller, Purchaser or their respective affiliates shall be legally obligated with respect to the matters set forth herein unless and until the parties enter into the Purchase and Sale Agreement.

The proposal set forth in this letter shall be of no further force and effect after June 3, 2016.

I look forward to hearing from you shortly.

Yours very truly,

Jeffrey I. Sussman
President

Cc: Jesse Faneuil

Subj: **Re: LOI: 241 Royal Palm Way, Palm Beach FL 33480**
Date: 5/31/2016 1:58:25 P.M. Eastern Daylight Time
From: JDodge@privateassetexchange.com
To: jbdagostino@gmail.com, RickKeitel@aol.com, tdagostino@smartsourcelc.com,
hries@foxrothschild.com, wwhite@haieshaw.com, lfarley@palladiumgroup.net, lgary88@aol.com
CC: Lgarbarz@privateassetexchange.com

Hello Mr. Dagostino & Mr. Keitel,

The buyer has advised they would like a response to the offer submitted below. This is a very real buyer and a legitimate offer. As you know, the buyer has only given until June 3rd for a formal response or they will be moving on to a different property.

Regards,

John Dodge III
Private Asset Exchange
Pinnacle Real Estate Associates
Direct: 561.307.0925
Office: 561.865.6880
625 N. Flagler Drive | Suite 402 | West Palm Beach | Florida | 33401
JDodge@privateassetexchange.com

On May 27, 2016, at 1:57 PM, Lorrie Garbarz <Lgarbarz@privateassetexchange.com> wrote:

This email is sent to the attention of all partners of FJK-TeeJay Ltd. in relation to the property known as 241 Royal Palm Way, Palm Beach FL 33480.

Based on the efforts of myself as well as John F. Dodge III, Pinnacle Real Estate Associates is pleased to present the attached offer to purchase the property located at 241 Royal Palm Way, commonly known as the First Republic Building.

The terms of the purchase are as follows:

- Purchase Price: \$12,200,000, all cash, no financing contingencies
- 10% / \$1,220,000 deposit
- 45 day due diligence period, closing to occur 15 days following satisfaction of due diligence period
- 2% brokerage commission, 1% paid by the buyer and 1% paid by the seller
- \$12,078,000 - Net proceeds to seller (after commission and not including closing costs)

We are thrilled to bring this offer to your group for several reasons. Not only is this an extremely qualified buyer who has the financial ability and track record of closing on these types of assets, at an impressive \$960.63 per square foot this purchase will dramatically set a record for the highest sale price per square foot on Bankers Row - far exceeding \$720psf for 250 Royal Palm Way, which closed this past week. John and I have worked very hard to get you the absolute best price for this asset.

The buyer includes publicly traded insurance company W.R. Berkley <http://www.wrberkley.com> with over \$7 billion in revenue and its subsidiary Property Group Partners <http://www.pgp.us.com/about/overview.php>.

Please be advised that the buyer is very serious about moving forward quickly with this purchase, therefore I respectfully request a response to this email as soon as possible. The buyer requires a formal response to the attached LOI **no later than June 3, 2016**, so time is of the essence.

In the interim, feel free to contact either John or myself with any questions. We look forward to working with you on this transaction.

Regards,

Lorrie Garbarz | Principal
Private Asset Exchange
Pinnacle Real Estate Associates
Direct: 248.943.3331
Office: 561.865.6880
625 N. Flagler Drive | Suite 402 | West Palm Beach | Florida | 33401
Lgarbarz@privateassetexchange.com

<Indication of Interest - 241 RPW.pdf>
<Doc - 5-27-16, 1-48 PM.pdf>

Subj: **Fwd: \$12,000,000. LOI for FJK-TeeJay,Ltd the First Republic Bank Building 241 RPW**
Date: 5/27/2016 5:13:51 P.M. Eastern Daylight Time
From: JDodge@privateassetexchange.com
To: rickkeitel@aol.com

See below

John F. Dodge, III
(561) 307-0925

Begin forwarded message:

From: "Eric C. Christu" <EChristu@shutts.com>
Date: May 27, 2016 at 4:53:31 PM EDT
To: "RickKeitel@aol.com" <RickKeitel@aol.com>, "jdodge@privateassetexchange.com" <jdodge@privateassetexchange.com>, "jbdagostino@gmail.com" <jbdagostino@gmail.com>
Cc: "hries@foxrothschild.com" <hries@foxrothschild.com>, "wwhite@haileshaw.com" <wwhite@haileshaw.com>, "briankmcmahon@gmail.com" <briankmcmahon@gmail.com>, "lfarley@palladiumgroup.net" <lfarley@palladiumgroup.net>, "Jonathan P. Hart" <JHart@shutts.com>
Subject: RE: \$12,000,000. LOI for FJK-TeeJay,Ltd the First Republic Bank Building 241 RPW

Mr. Dodge:

I do not believe we have met and I am not really sure of your exact involvement in the matter Mr. Keitel is discussing in his email; but allow me to hopefully clarify some of the misinformation in Mr. Keitel's below communication. The property at 241 Royal Palm Way, which you may or may not be interested in purchasing, is owned by FJK – Tee Jay, Ltd. ("FJK"). FJK is a limited partnership, the General Partner of which is FJK – TEE JAY, Inc., and the limited partners in which are FJK IV Properties, Inc. and Tee Jay of Florida. The General Partner has the sole and exclusive right to manage the business of the Partnership. Jonathan D'Agostino is the President of the General Partner and a Florida state court has already determined that Mr. Keitel has no authority to act or speak on behalf of the General Partner. In any event, there is a lawsuit between the limited partners that has been pending since 2012 and the Partnership cannot properly consider the sale of the building in the midst of this litigation and given other issues presently affecting the Partnership.

Mr. Keitel has also copied on his email the trial lawyer from the United States Trustee's Office who is overseeing Mr. Keitel's personal bankruptcy case, and while we do not understand why he has included Ms. Feinman in this exchange since neither the owner of the building nor either of the partners are in bankruptcy, if there is some basis for the Bankruptcy Court to be involved, Mr. Keitel has never sought any bankruptcy court approval for any of his activities in this regard.

At such time as the Partnership may in the future desire to sell this property, we would certainly keep your information on file.

Thank you



Eric C. Christu

Partner

Shutts & Bowen LLP

CityPlace Tower, 525 Okeechobee Blvd, Suite 1100 | West Palm Beach, FL 33401

Direct: (561) 650-8556 | Fax: (561) 671-5900

[E-Mail](#) | [Biography](#) | [V-Card](#) | [Website](#)

Please consider the environment before printing this email

From: RickKeitel@aol.com [<mailto:RickKeitel@aol.com>]

Sent: Wednesday, May 25, 2016 11:40 AM

To: jdodge@privateassetexchange.com; jbdagostino@gmail.com

Cc: hries@foxrothschild.com; Eric C. Christu; wwhite@hailshaw.com; heidi.a.feinman@usdoj.gov; briankmcmahon@gmail.com; lfarley@palladiumgroup.net; RickKeitel@aol.com

Subject: \$12,000,000. LOI for FJK-TeeJay,Ltd the First Republic Bank Building 241 RPW

John Dodge

I have forwarded your \$12,000,000.00 offer and LOI to Jonathan D'Agostino who represents TeeJay of Florida, RLLP, who own 50% of the First Republic Bank Building, and his lawyers, as well as multiple correspondence and emails requesting an immediate response to/from both Jonathan, and his lawyers, Heather Ries at Fox Rothschild, and Eric Christu at Shutts and Bowen.

I have explained the importance of a quick answer, since April, when you made the initial offer of \$11,500,000., due to your client's 1031 Exchange requirements. I also told Jonathan and his lawyers that your clients, would accept a counter at \$12,000,000.00 (prior to your written counter for \$12m), but don't want to continue to bid against themselves.

Jonathan, and his lawyers have refused to respond, because, as per his email below,, "in his (my) business judgment, it is not in the best interest of FJK Tee Jay Ltd to make an initial contact with these unsolicited interested parties".

Obviously Jonathan and his lawyers are playing games for litigation purposes, and have refused to respond, in violation of his Fiduciary duties to FJK Tee Jay, Ltd, and the limited partners, and/or attempt to devalue the FMV of the building.

Since Jonathan and the lawyers for the LTD have been on notice of the offer(s), LOI's and all correspondence for almost a month, I suggest you send the offer directly to Jonathan D'Agostino (email address above), and his lawyer directly, and give them 48 hours to respond. Since they have had a long, long time to consider the LOI's, counter offers, and/or their options, they have a duty to FJK-TeeJay, LTD, and the limited partners, to respond immediately to your client's offer.

If you don't get a response with the time frame, I'll file a Emergency Motion to Dissolve the LTD, and put the property up for sale. All the email addresses will be listed at the top and everyone copied by my email.

Since I have copied everyone in this email, Jonathan and his lawyers will know immediately to expect your offer. I have previously forwarded both the signed \$11,500,000. LOI, and your clients unsigned \$12,000,000

LOI, notifying them that once signed by FJK Tee Jay, Ltd, your client would sign immediately and wire a deposit.

Jonathan has the option to consult with me, and either accept the offer, and/counter the offer, or be in breach of his duties, so all the partners in FJK-TeeJay,Ltd, agree to the terms.

Thanks for your serious interest and patience.
Rick

From: jbdagostino@gmail.com
To: rickkeitel@aol.com
CC: HRies@foxrothschild.com, EChristu@shutts.com
Sent: 5/11/2016 3:38:14 P.M. Eastern Daylight Time
Subj: RE: Financial Documents JFK - Tee Jay LTD.

Rick-

In my business judgment, it is not in the best interests of FJK Tee Jay Ltd to make an initial contact with these unsolicited interested parties. While the parties may have had prior contact with you, I was not privy to the conversations and therefore lack necessary information to assess the credibility and viability of any offer or to formulate any negotiation strategy.

If there are parties who are interested in the property, they need to initiate contact with me as President of the General Partner. This will allow the best analysis of any offer and ensure the best result for FJK Tee Jay Ltd., should the partners decide to pursue any sale.

Best,

Jonathan D'Agostino

EXHIBIT B

1 UNITED STATES BANKRUPTCY COURT
2 SOUTHERN DISTRICT OF FLORIDA

3 Judge Paul G. Hyman, Jr.
4

5 In Re:
6

7 Case No. 15-10576-BKC-PGH

8 WMK PROPERTIES, INC.,
9 FLORIDA CAPITAL MANAGEMENT, LLC,

10 Debtor.

11
12
13 ECF #30, 31

14
15 April 15, 2015
16
17

18 The above entitled cause came on for hearing before
19 the HONORABLE PAUL G. HYMAN, JR., the Chief Judge in
20 the UNITED STATES BANKRUPTCY COURT, in and for the
21 SOUTHERN DISTRICT OF FLORIDA, at 1515 North Flagler
22 Drive, West Palm Beach, Palm Beach County, Florida, on
23 April 15, 2015, commencing on or about 9:30 a.m., and
24 the following proceedings were had:

25 Transcribed from a digital recording by:
Jacquelyn Ann Jones, Court Reporter

1 it, and then maybe if it's available, it should just
2 be a matter of days.

3 THE COURT: Yeah. When she -- Mr. Grant.

4 MR. GRANT: Your Honor, I know when you look
5 at that transcript that also there may be additional
6 testimony that I might want to take from Mr. King
7 regarding the trust account and the receipt. So is
8 Your Honor only going to look at the oral -- the
9 ruling from Judge Sasser, or do I have an opportunity,
10 because --

11 THE COURT: I don't know what else you're
12 going to ask from Mr. King, since he said I don't --
13 in essence, he had no conversations with your client,
14 doesn't remember anything else. In essence, that was
15 his testimony.

16 MR. GRANT: Correct. But the money was
17 wired out. And if there's anything that shows, you
18 know, the application of those moneys, you know, Mr.
19 D'Agostino testified it was from some other
20 transaction. So if it -- I'd like to see where the
21 money went, because it would contradict the
22 testimony.

23 THE COURT: I don't know why it's relevant,
24 because he -- Mr. King did testify it went to Mr.
25 D'Agostino or one of his entities. So there's no --

1 MR. GRANT: (Inaudible) obligation for Mr.
2 Keitel.

3 THE COURT: Yes.

4 MR. CHRISTU: He said that, Your Honor. He
5 said it did not have anything to -- because he didn't
6 know who Mr. Keitel was.

7 THE COURT: I understand that. So
8 that's -- if you're an attorney, and you receive a
9 wire transfer, and your client says wire to, and it
10 has your client's account number, and your client says
11 that's my money and wire to X, Y, Z trust, or A, B, C
12 Corporation, and you get appropriate authorization,
13 you do it. You don't have -- it's not your job as an
14 attorney to figure out why your client wants it
15 wired -- assuming there's no illegal, listen, your
16 compliant with all the dregs and all that stuff about,
17 you know, money with the Fed and all that. Assuming
18 that there is.

19 MR. GRANT: Just so I'm clear, what summary
20 judgment hearing, because I wasn't part of the
21 underlying State Court litigation.

22 THE COURT: It wasn't summary judgment.

23 MR. GRANT: Which matter -- which matter are
24 we looking to have a transcript prepared from, and
25 when was the date of that hearing.

EXHIBIT C

IN THE CIRCUIT COURT
OF THE FIFTEENTH JUDICIAL CIRCUIT
IN AND FOR PALM BEACH COUNTY, FLORIDA

CASE NO. 50 2013 CA 004699 XXXX MB AN

THOMAS B. D'AGOSTINO, SR. and
THOMAS B. D'AGOSTINO, JR., as
Trustees of the Thomas B. and
ELZBIETA M. D'AGOSTINO 1997 CRT,

Plaintiffs,

vs.

FLORIDA CAPITAL MANAGEMENT, LLC,
a Florida Limited Liability Company, and
FREDERICK J. KEITEL, III,

Defendants.

DEPOSITION OF ROBERT KING, ESQUIRE,
A WITNESS,
TAKEN BY THE DEFENDANTS

Monday, July 11, 2016

10:08 a.m. - 11:13 a.m.

EXHIBIT "H"

1 Q. Okay. Now, did -- were you ever requested by
2 Mr. Keitel to deliver an estoppel letter with regard to
3 the \$2 million loan that occurred in 2005?

4 A. No, not to the best of my knowledge.

5 Q. You customarily do those, I presume, in your
6 business as a real estate, estate planning type person?

7 A. I'm familiar with estoppel letters, yes.

8 Q. And there's a statute, isn't there, that sort
9 of requires you, if you're requested, to provide an
10 estoppel letter with regard to a loan or a mortgage?

11 A. It requires the person who has the mortgage to
12 provide it, yes.

13 Q. Right. Or as a lawyer --

14 A. Or they can hire somebody to provide it on
15 their behalf.

16 Q. Such as yourself?

17 A. Such as an attorney or accountant.

18 Q. Okay. In 2005, you were not representing the
19 charitable remainder trust, correct?

20 A. Generally, except for that one instance, that's
21 correct.

22 Q. But in 2005 were you representing them or was
23 that thereafter?

24 A. No, that was before 2005, that one mortgage.

25 Q. Okay. So you actually, as of the time you

1 received this \$1,230,000, you had previously represented
2 the trust; is that correct?

3 A. On that one issue, yes.

4 Q. And what -- how much before that receipt of the
5 money in March of 2005 did you represent the charitable
6 remainder trust involving Mr. D'Agostino and his wife?

7 A. It was in 2004.

8 Q. And how long did you represent them?

9 A. It was a single incident as far as the
10 mortgage. And then with -- you know, later, when the
11 mortgage wasn't paid on time, there were, you know,
12 issues that would come up. But I didn't handle the
13 litigation per se.

14 Q. I know you didn't handle the litigation, but
15 how long did you continue to do anything on behalf of
16 the charitable remainder trust involving Mr. D'Agostino
17 and his wife?

18 A. I don't know a final date when the -- when the
19 matter was concluded.

20 Q. Do you have -- was it sometime in 2005 or --

21 A. No.

22 Q. -- thereafter?

23 A. Much after.

24 Q. Much after?

25 A. (Nods head.)

1 Q. So, I mean, '06 or '07 you mean?

2 A. Or '10 or '12.

3 Q. Okay. So were you representing or doing any
4 legal work for the trust back in 2005?

5 A. No.

6 Q. Well, you said that you had started in 2004 and
7 it didn't conclude until after, long after that. Is
8 that a fair statement?

9 A. I was not representing the trust as long as the
10 mortgage payments were paid. I mean, that was not my --
11 that was all that would have been done. I mean, I
12 wasn't representing them per se.

13 Q. What do you mean by per se?

14 A. I was not representing the trust except that to
15 the extent that if there was a question regarding the
16 mortgage, I would have been consulted perhaps regarding
17 it and the payments.

18 Q. Well, were you consulted?

19 A. I don't remember. I mean, that's ten years
20 ago. I don't remember what all did come up and when it
21 came up.

22 Q. Well, you were asked this question on Page 150
23 by Mr. -- I think it was actually Mr. Christu asked you
24 this, said: Were you in any way representing or doing
25 any legal work for the Thomas and Elzbieta trust back in

1 2005? Your answer was no. So --

2 A. To the best of my knowledge, I did not remember
3 that the mortgage was part of that.

4 Q. But you really would correct that statement and
5 say, yes, you were. That was an incorrect statement.

6 A. That was an incorrect statement.

7 Q. Uh-huh. When did you discover that that was an
8 incorrect statement that you'd made under oath to
9 Judge Hyman?

10 A. A matter of probably a week ago perhaps when I
11 was going through files.

12 Q. Have you taken any steps to correct this
13 incorrect statement with Judge Hyman?

14 A. No, because I didn't -- considered it, number
15 one, pretty irrelevant, but, number two, more important,
16 is that was to the best of my knowledge at that time.

17 Q. But now your knowledge is, after having looked
18 at your records, your knowledge is such that that answer
19 should have been yes, correct?

20 A. That's correct.

21 Q. Did you ever have a discussion with Mr. Lubitz
22 about where this money should go when it showed up in
23 your trust account?

24 A. I do not remember having any discussions with
25 Mr. Lubitz, no.

1 account?

2 A. The same way I account for any money. It's on
3 my ledger card.

4 Q. And you don't have to send -- believe you don't
5 have to send a 1099 if you receive money from a
6 client --

7 A. Correct.

8 Q. -- when you're paying it out on behalf of a
9 client?

10 A. Correct.

11 Q. Well, how would the IRS know that they received
12 the money?

13 A. I don't know how they know.

14 Q. Is it your practice ever to send a 1099 or any
15 tax information generally?

16 A. We send them when we do real estate sales, and
17 when we're representing the buyer we do.

18 Q. And do you recall who -- the projects the money
19 went to?

20 A. I don't recall all the specific projects the
21 monies went to.

22 Q. So if we subpoenaed your records, it would have
23 on there?

24 A. It would show who the monies went to, correct.

25

1 DIRECT EXAMINATION (continued)

2 BY MR. REID:

3 Q. I just want to ask the question on three. I
4 noticed redactions on top. What are those redactions?

5 A. That probably was monies.

6 Q. And here?

7 A. That would have been -- I believe.

8 Q. Take a look.

9 A. That would have been the monies received and
10 paid out at that point.

11 Q. Like sort of --

12 A. Running total.

13 Q. -- what came in and -- and how about the
14 redaction in the -- below those two, what is that?

15 A. That was a deposit on behalf of Mr. D'Agostino.
16 It says deposit over here.

17 Q. All right.

18 A. Where he sent money in.

19 Q. Where Mr. D'Agostino sent money in?

20 A. Yes.

21 Q. Okay. Do you have a ledger -- would that be
22 called a ledger card? Is that what that is?

23 A. Correct.

24 Q. Do you have a ledger card for the trust?

25 A. For the trust?

1 Q. Yeah.

2 A. I would have one regarding the mortgage and
3 that one project, yes.

4 Q. Okay. That shows money coming in and going out
5 basically?

6 A. Basically, yes, correct.

7 Q. Is there more than one trust?

8 Okay. So the DEP stands for, obviously,
9 deposit, correct?

10 A. Correct.

11 Q. Okay. And what are these numbers that follow?
12 What are those? Are those control numbers that -- after
13 the dates? You see all those?

14 A. Let's see. Probably check numbers.

15 Q. Check numbers, okay.

16 MR. REID: That's all the questions we have.

17 DIRECT EXAMINATION (continued)

18 BY MR. KEITEL:

19 Q. Was \$2 million wired in from your account to
20 Boose, Casey?

21 A. I don't specifically remember. I don't know.

22 Q. Well, do you know where the money came from for
23 the mortgage?

24 A. I don't remember.

25 Q. Okay. If this wasn't redacted, would it show

1 the 2 million coming out of your trust account to go to
2 Boose, Casey?

3 A. Back then, no. That's 2005.

4 Q. Yes. Would it show the 2 million from
5 D'Agostino to Boose, Casey for the mortgage on Florida
6 Capital Management?

7 A. If Florida Capital Management was being handled
8 back then, it would show, but I don't -- I don't know
9 that it was. I mean, we have nothing reflecting Florida
10 Capital Management back then.

11 Q. Okay. Well, the money that went from
12 Mr. D'Agostino, the 2 million to fund the mortgage --

13 A. Okay.

14 Q. -- for Florida Capital Management came out of
15 the trust, correct?

16 A. I don't remember specifically that.

17 Q. Okay. Well --

18 MR. REID: Here's -- take a look at this.

19 Eric, here's a copy for you.

20 DIRECT EXAMINATION (continued)

21 BY MR. REID:

22 Q. My question is does that sort of help you
23 recall that there was -- that you wired money in on
24 behalf of the trust on 2/25/05?

25 A. It -- I can almost guarantee this money was not

Page 1

1 UNITED STATES BANKRUPTCY COURT
 2 SOUTHERN DISTRICT OF FLORIDA
 3
 4 Judge Paul G. Hyman, Jr.
 5
 6 In Re:
 7 Case No. 15-10576-BKC-PGH
 8 WMK PROPERTIES, INC., FLORIDA
 9 CAPITAL MANAGEMENT, LLC.
 10 Debtor.
 11
 12 *****
 13 EXCERPT OF HEARING - AFTERNOON PROCEEDINGS
 14 ECF #30_31
 15
 16 April 15, 2015
 17
 18
 19 The above entitled cause came on for hearing before
 20 the HONORABLE PAUL G. HYMAN, JR., the Chief Judge in
 21 the UNITED STATES BANKRUPTCY COURT, in and for the
 22 SOUTHERN DISTRICT OF FLORIDA, at 1505 North Flagler
 23 Drive, West Palm Beach, Palm Beach County, Florida, on
 24 April 15, 2015, commencing on or about 9:30 a.m., and
 25 the following proceedings were had:

Transcribed from a digital recording by:
 Jacquelyn Ann Jones, Court Reporter

Page 2

1 APPEARANCES:
 2
 3 SHUTTS & BOWEN, LLP
 4 By: LARRY GLICK, ESQUIRE
 5 ERIC CHRISTU, ESQUIRE
 6 JONATHAN HART, ESQUIRE
 7 On behalf of D'Agostino Creditors
 8
 9 MARSHALL SOCARRAS GRANT, P.L.
 10 By: JOE GRANT, ESQUIRE
 11 On behalf of the Debtor
 12
 13 INDEX
 14 PAGE
 15 WITNESS: FREDERICK KEITEL
 16 RE-CROSS EXAMINATION BY MR. CHRISTU ----- 2
 17 REDIRECT EXAMINATION BY MR. GRANT ----- 13
 18
 19 WITNESS: ROBERT KING
 20 DIRECT EXAMINATION BY MR. CHRISTU ----- 15
 21 CROSS EXAMINATION BY MR. GRANT ----- 18
 22
 23 EXHIBITS
 24 Exhibits No. 19, 20, 21 admitted ----- 12
 25 Exhibits No. 9, 10, 11 admitted ----- 22

Page 3

1 *****
 2 THE COURT: Please be seated.
 3 I had another question, Mr. Keitel. I need
 4 you to come back on the stand, and then I'll let
 5 everyone ask additional questions if they so desire.
 6 And sir, you're still under oath.
 7 As of your petition date, bankruptcy
 8 petition date --
 9 THE WITNESS: Okay.
 10 THE COURT: What debts did you still owe or
 11 have to Mr. D'Agostino?
 12 THE WITNESS: Since that date --
 13 THE COURT: Not since. As of that date.
 14 THE WITNESS: As of that date it's the WMK
 15 case.
 16 THE COURT: Which is with the judgment.
 17 THE WITNESS: 750 on a piece of property.
 18 And it's on appeal. The FJK IV case is on appeal,
 19 which is the one we were talking about with the
 20 affidavit. And then we have this case.
 21 THE COURT: Is that the one that resulted in
 22 this judgment, summary judgment?
 23 THE WITNESS: Yes.
 24 THE COURT: Okay. Okay.
 25 THE WITNESS: That's it.

Page 4

1 THE COURT: That's the only debt?
 2 THE WITNESS: That's the only debt. Not
 3 counting --
 4 THE COURT: I want you to count those. I
 5 want --
 6 THE WITNESS: And Florida Capital
 7 Management, which we think that we overpaid by
 8 \$74,000.
 9 THE COURT: And?
 10 THE WITNESS: And that's it.
 11 THE COURT: Don't you have two debts here in
 12 this bankruptcy?
 13 THE WITNESS: Yes. I said WMK, I'm sorry.
 14 that's the 750.
 15 THE COURT: Got it.
 16 THE WITNESS: Florida Capital is this one,
 17 and then that's --
 18 THE COURT: The final judgment. So those
 19 are the three.
 20 THE WITNESS: We actually have a bond for
 21 that, but we haven't posted it yet.
 22 THE COURT: Okay. Those are the three.
 23 that's it?
 24 THE WITNESS: Yes.
 25 THE COURT: Okay. Thank you. Additional

Page 17

1 consideration we could depose him further if there's
 2 an opportunity to present later evidence to cross
 3 examine him.
 4 THE COURT: I will wait and see what his
 5 testimony is, and if there is, at the end of his
 6 direct if you think there was a reason you needed to
 7 depose him previously, I'll consider continuing the
 8 hearing.
 9 MR. GRANT: Thank you.
 10 MR. CHRISTU: Thank you, Your Honor.
 11 DIRECT EXAMINATION
 12 BY MR. CHRISTU:
 13 Q. What's your occupation, Mr. King?
 14 A. I'm an attorney.
 15 Q. And how long have you been an attorney?
 16 A. I was licensed in 1973.
 17 Q. And where do you practice?
 18 A. I practice in Fort Lauderdale and also
 19 licensed in Indiana.
 20 Q. And what are your areas of practice?
 21 A. Mainly now, real estate, wills and trusts,
 22 probate.
 23 Q. Do you know Thomas D'Agostino, Senior?
 24 A. Yes.
 25 Q. And how do you know him?

Page 18

1 A. He's a client of mine.
 2 Q. If you would --
 3 MR. CHRISTU: And I believe, Your Honor, if
 4 I may approach, I believe there's a binder perhaps in
 5 front of you, the white one. Your Honor, if I can
 6 just grab it because --
 7 THE COURT: Yes, sir.
 8 BY MR. CHRISTU:
 9 Q. I'm going to direct your attention to what
 10 has been put into evidence as Exhibit K by the
 11 debtors. Do you have Exhibit K, Debtor's Exhibit K in
 12 front of you?
 13 A. Yes.
 14 Q. Okay. And is that a one page wire transfer
 15 form?
 16 A. Yes, it is.
 17 Q. Did you receive the wire that is referenced
 18 in that wire transfer form back in 2005?
 19 A. It's -- I would have to say yes, I did. I
 20 mean, I -- I do not have specific recollection of it,
 21 but my name and account number and my trust account
 22 are all in it. So I would say yes.
 23 THE COURT: Sir, he asked did you receive
 24 it. No one asked you to guess. Did you receive it?
 25 THE WITNESS: Okay. I do not have specific

Page 19

1 recollection of receiving this wire.
 2 THE COURT: Thank you. Answer the questions
 3 that are asked.
 4 BY MR. CHRISTU:
 5 Q. Did you, at this time in 2005, did you know
 6 Mr. Chuck Lubitz?
 7 A. I don't know that I knew him, no.
 8 Q. Okay. Did you know -- in 2005 did you know
 9 a Mr. Frederick Keitel?
 10 A. Again, I don't know that I knew him, no.
 11 Q. And in 2005, in the course of any
 12 representation you were doing on behalf of Mr.
 13 D'Agostino, did you have any dealings at that time
 14 with Mr. Keitel or Mr. Lubitz?
 15 A. Not that I know of.
 16 Q. Were you in any way representing or doing
 17 any legal work for the Thomas and Elsbietta Trust back
 18 in 2005?
 19 A. No.
 20 Q. In 2005, the date of that wire transfer, did
 21 you receive any instructions either verbally or in
 22 writing from Mr. Lubitz telling you what it was for?
 23 A. No, I did not.
 24 Q. Did Mr. Lubitz or anyone else ever advise
 25 you that it was for a payment on any type of note?

Page 20

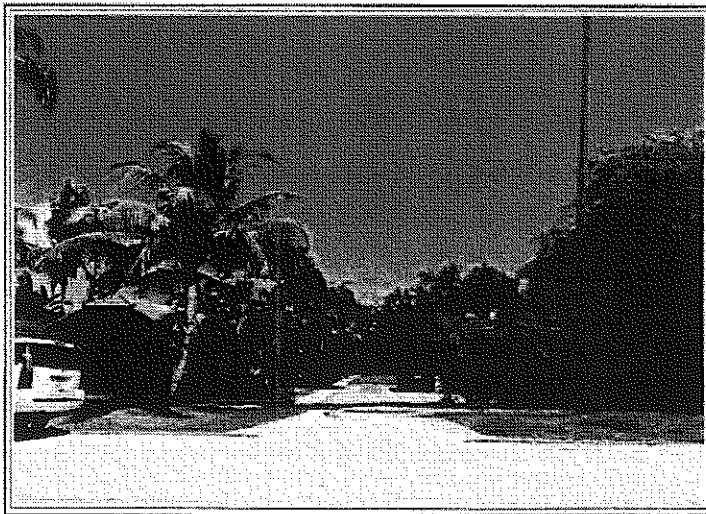
1 A. No one represented what it was a payment
 2 for, no.
 3 Q. Did Mr. Lubitz or anyone else ever ask you
 4 to provide any type of satisfaction of note or
 5 mortgage in conjunction with receiving the funds set
 6 forth in Exhibit K?
 7 A. No, he did not, and no one else did.
 8 Q. In 2005, as of the date of that wire
 9 transfer in front of you, were you in any way
 10 responsible for accepting payments of any -- on behalf
 11 of the Thomas and Elsbietta Trust?
 12 A. No, I was not.
 13 Q. In a State Court action in front of Judge
 14 Sasser, did Mr. Keitel accuse you of committing fraud
 15 for failing to file a satisfaction of mortgage?
 16 A. He did.
 17 Q. And was that for specific notes in the
 18 amounts of 500,000 and \$700,000?
 19 A. I'd have to look to make sure, but it could
 20 have been.
 21 MR. CHRISTU: Nothing further. Your Honor.
 22 THE COURT: Cross.
 23 CROSS EXAMINATION
 24 BY MR. GRANT:
 25 Q. I don't know if it constitutes a cross, Your

EXHIBIT D

FINCH APPRAISAL SERVICE, INC.

File No. 16-2973

APPRAISAL OF



LOCATED AT:

237 BRAZILIAN AVENUE
PALM BEACH, FL 33480

FOR:

HAILE, SHAW & PFAFFENBERGER, P.A.
560 U.S. HIGHWAY ONE, 3RD FL
NORTH PALM BEACH FL 33408

BORROWER:

PETER CALLAHAN

AS OF:

April 1, 2016

BY:

ROGER A. FINCH

LAND APPRAISAL REPORT

File No. 16-2673

Borrower **PETER CALLAHAN** Census Tract **35.08** Map Reference **LAND**
 Property Address **237 BRAZILIAN AVENUE**
 City **PALM BEACH** County **PALM BEACH** State **FL** Zip Code **33480**
 Legal Description **ROYAL PARK ADD LOT 3 BLOCK E PLAT BOOK 4 PAGE 1**
 Sale Price **N/A** Date of Sale **N/A** Loan Term **Yrs.** Property Rights Appraised: Fee Leasehold De Minimis PUD
 Actual Real Estate Taxes **34729 (15)** (yr.) Loan charges to be paid by seller **N/A** Other sale concessions
 Lender/Client **HAILE, SHAW & PFAFFENBERGER P.A.** Address **690 U.S. HIGHWAY ONE, 3RD FL NORTH PALM BEACH, FL 33408**
 Occupant **VACANT** Appraiser **ROGER A. FINCH** Instructions to Appraiser **FAIR MARKET VALUE**

Location: Urban Suburban Rural
 Built Up: Over 75% 25% to 75% Under 25%
 Growth Rate: Fully Dev. Rapid Steady Slow
 Property Values: Increasing Stable Declining
 Demand/Supply: Shortage In Balance Over Supply
 Marketing Time: Under 3 Mos. 4-5 Mos. Over 6 Mos.
 Present: 70% One-Unit 2-4 Units % Apts 20% Condo 10% Commercial
 Lend Use: % Industrial % Vacant %
 Change in Present Lend Use: Not Likely Likely Taking Place(*)
 Predominant Occupancy: Owner Tenant % Vacant
 One-Unit Price Range \$ **2000** to \$ **100M+** Predominant Value \$ **3.5M**
 One-Unit Age: **NEW** yrs. to **103** yrs. Predominant Age **45** yrs.

	Good	Avg	Fair	Poor
Employment Stability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Utilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Compossibility	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection from Detrimental Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police and Fire Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
General Appearance of Properties	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appeal to Market	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): **APN 50-43-43-23-05-025-0030, SEE THE ADDENDUM FOR NEIGHBORHOOD COMMENTS. PALM BEACH IS A SEASONAL MARKET IN WHICH THE MARKET ACTIVITY INCREASES FROM NOVEMBER TO MAY. THIS IS TYPICAL FOR OTHER SOUTH FLORIDA MARKETS.**

Dimensions **100' X 180'** SUBJECT TO SURVEY = **18000 SQ. FT.** Corner Lot
 Zoning Classification **SINGLE FAMILY R-C** Present Improvements Do Do Not Conform to Zoning Regulations
 Highest and Best Use: Present Use Other (specify) **SITE FOR CONSTRUCTION**

Public Other (Describe) _____
 Elec. _____
 Gas _____
 Water _____
 San. Sewer _____
 OFF-SITE IMPROVEMENTS: Street Access Public Private; Surface **ASPHALT**; Maintenance Public Private; Storm Sewer Curb/Gutter Sidewalk Street Lights

Comments (favorable or unfavorable including any apparent, adverse easements, encroachments or other adverse conditions): **THE INTENDED USER IS THE ADDRESSEE. THE INTENDED USE IS FOR INTERNAL USE. FLOOD ZONE AE PANEL # 120220 0002C, SEE THE ADDENDUM FOR SITE COMMENTS.**

The undersigned has recited three recent sales of properties most similar and proximate to the subject and has to be considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject. If a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	237 BRAZILIAN AVENUE PALM BEACH, FL 33480	307 CHILEAN AVENUE PALM BEACH, FL 33480	232 CORAL LANE PALM BEACH, FL 33480	412 BRAZILIAN AVENUE PALM BEACH, FL 33480
Proximity to subject		0.16 MILES SW	1.50 MILES NW	0.23 MILES SW
Sales Price	\$	\$ 1,900,000	\$ 3,750,000	\$ 2,200,000
Price \$/Sq. Ft.		\$304	\$268	\$269
Data Source		MLS/FIELD	MLS/FIELD	MLS/FIELD
Date of Sale and Time Adjustment		2/16	2/16	1/16
Location	GOOD	GOOD	INFERIOR+10%	GOOD
Site/View	HOMES/CONDO	HOMES -5%	HOMES -5%	HOMES -5%
LOT SIZE	18,000 SQ. FT.	6,250 SQ. FT.	14,000 SQ. FT.	8,600 SQ. FT.
R-C ZONING	YES	YES	NO ADJ	NO ADJ
TINM CAPABLE	YES	NO	NO ADJ	NO ADJ
Series of Financing Concessions				
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 3,135,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 1,290,000	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 2,503,000
Indicated Value of Subject		Gross Adj: 175.1% Net Adj: 165.1% \$ 5,096,000	Gross Adj: 34.4% Net Adj: 34.4% \$ 5,040,000	Gross Adj: 123.8% Net Adj: 113.8% \$ 4,703,000

Comments on Market Data: **SEE SALES 4 AND 5 AND THE ADDENDUM FOR THE DISCUSSION OF THE ADJUSTMENTS.**

Final Reconciliation: **THE SALES COMPARISON APPROACH IS THE ONLY INDICATION OF VALUE FOR A SINGLE FAMILY HOMESITE. UTILIZING THE MARKET ANALYSIS OF COMPARABLE PROPERTIES TO ACCOUNT FOR THE DIFFERENCES IN LOCAL AND PHYSICAL CHARACTERISTICS.**

ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF **APRIL 1, 2016** TO BE **\$ 5,000,000**

APPRaiser: **ROGER A. FINCH** Signature: _____
 SUPERVISORY APPRAISER (if applicable): _____
 Signature: _____
 Name: _____
 Title: _____
 Date Report Signed: **04/04/2016**
 State Certification #: **CERT RES RD824** State **FL**
 State License #: _____ State _____
 Expiration Date of Certification or License: **11/30/2016**
 Date of Inspection: **4/1/2016** Did Did Not Inspect Property Date of Inspection _____

ADDENDUM

Borrower: PETER CALLAHAN		File No.: 15-2073
Property Address: 237 BRAZILIAN AVENUE		Case No.:
City: PALM BEACH	State: FL	Zip: 33480
Lender: HAILE SHAW & PFAFFENBERGER, P.A.		

NEIGHBORHOOD COMMENTS

THE SUBJECT PROPERTY IS LOCATED IN THE TOWN OF PALM BEACH. PALM BEACH IS A BARRIER ISLAND EAST OF THE CITY OF WEST PALM BEACH IN CENTRAL PALM BEACH COUNTY. IT IS BOUNDED TO THE EAST BY THE ATLANTIC OCEAN AND TO THE WEST BY THE INTRACOASTAL WATERWAY, ALSO KNOWN AS LAKE WORTH. THE ISLAND EXTENDS FROM THE LAKE WORTH INLET, FOURTEEN MILES SOUTH TO THE TOWN OF SOUTH PALM BEACH. FOUR BRIDGES PROVIDE ACCESS TO THE ISLAND FROM THE MAINLAND. THE NARROWEST PORTION IS APPROXIMATELY 1/4 MILE WIDE AND INCREASES TO ABOUT 3/4'S OF A MILE WIDE AT THE WIDEST PORTION.

THE NORTHERN PORTION OF THE ISLAND, NORTH OF THE PALM BEACH COUNTRY CLUB LARGELY CONSISTS OF BERMUDA STYLE HOMES BUILT IN THE 1950'S. MANY AREAS SOUTH OF THE PALM BEACH COUNTRY CLUB TO WORTH AVENUE ARE ZONED MULTIPLE FAMILY. HENCE, THESE ARE THE ONLY "IN TOWN" LOCATIONS WHICH CONSISTS OF MULTIPLE FAMILY USES IN ADDITION TO SINGLE FAMILY HOMES. THE AREA SOUTH OF WORTH AVENUE TO SLOAN'S CURVE IS LOCALLY REFERRED TO AS THE "ESTATE SECTION" OF PALM BEACH. THIS AREA PREDOMINANTLY CONSISTS OF 1920'S MEDITERRANEAN OR COLONIAL STYLE MANSIONS ON LARGER THAN AVERAGE LOTS DUE TO THE R-A ZONING. THE AREA SOUTH OF SLOAN'S CURVE TO THE TOWN OF SOUTH PALM BEACH CONSISTS OF HIGHRISE CONDOMINIUMS.

PALM BEACH IS WORLD RENOWNED FOR ITS EUROPEAN ATMOSPHERE AND EXCELLENT SHOPPING AND DINING FACILITIES. SHOPPING IS PROVIDED BY SEVERAL CENTERS, THE MOST FAMOUS OF WHICH IS WORTH AVENUE. LOCATED FIVE BLOCKS SOUTH OF ROYAL POINCIANA WAY, WORTH AVENUE WAS DESIGNED FOR SHOPPING AND STROLLING ALONG IT'S FOUR PALM LINED BLOCKS. THE ESPLANADE ON WORTH AVENUE, A 90,000 SQUARE FOOT SHOPPING MALL FEATURES A SAKS FIFTH AVENUE AND 48 SELECTED SHOPS AND BOUTIQUES. HISTORICALLY, PROPERTIES WITHIN WALKING DISTANCE TO WORTH AVENUE COMMAND PREMIUMS. NEIMAN MARCUS OPENED ON WORTH AVENUE AND THE CITY PLACE SHOPPING AND SOCIAL DEVELOPMENT IN WEST PALM BEACH OPENED IN 2000.

MAR-A-LAGO, THE CROWN JEWEL OF PALM BEACH IS THE LARGEST ESTATE ON THE ISLAND. CONSTRUCTED FROM 1923 TO 1927, THE HOME WAS BUILT BY CEREAL HEIRESS MARJORIE MERRIWEATHER POST AND FINANCIER HUSBAND E.F. HUTTON. THIS NON-CONTIGUOUS OCEAN TO INTRACOASTAL ESTATE CONTAINS 17.5 ACRES. THE MAIN RESIDENCE COMPRISES 34,500 +/- SQUARE FEET PLUS AN ADDITIONAL 35,000 SQUARE FEET IN OUT BUILDINGS. THE ESTATE CONTAINS 118 ROOMS, 52 BEDROOMS AND 32 BATHROOMS. PURCHASED IN 1985 BY DONALD TRUMP, THIS LANDMARKED RESIDENCE WAS CONVERTED INTO A PRIVATE SOCIAL CLUB IN 1995. OTHER PRIVATE CLUBS CONSIST OF THE BATH AND TENNIS CLUB, THE EVERGLADES CLUB, THE PALM BEACH YACHT CLUB, THE SAILFISH CLUB AND THE PALM BEACH COUNTRY CLUB. IN TOWN GOLF COURSES ARE LOCATED AT THE PALM BEACH COUNTRY CLUB, THE BREAKERS RESORT AND THE EVERGLADES CLUB. THERE IS A PUBLIC PAR THREE GOLF COURSE ON THE SOUTHERN END OF THE ISLAND.

MARKET CONDITIONS

VALUES INCREASED FROM 2000 TO 2007 AND STABILIZED IN MOST AREAS IN LATE 2008. DECLINES WERE NOTED FROM 2009 TO EARLY 2012 AND STABILIZED IN MID 2012. HOWEVER SINCE THEN, THERE HAVE BEEN SIGNIFICANT SIGNS OF INCREASE.

ADDENDUM

Borrower: PETER CALLAHAN		File No.: 15-2873
Property Address: 237 BRAZILIAN AVENUE		Case No.:
City: PALM BEACH	State: FL	Zip: 33480
Lender: HAILE, SHAW & PFAFFENBERGER, P.A.		

COMMENTS ON THE SUBJECT SITE

THE SUBJECT IS LOCATED BETWEEN ROYAL PALM WAY AND WORTH AVENUE ON THE CENTRAL PORTION OF THE ISLAND WHICH IS A VERY DESIRABLE LOCATION. IN REFERENCE TO THE TAX MAP AND PHOTOS, THE SITE HAS DIMENSIONS OF 100' X 180' AND IS ADJACENT TO A HIGH RISE CONDOMINIUM.

HIGHEST AND BEST USE

THE SITE IS CURRENTLY IMPROVED WITH RENTAL UNITS CONSTRUCTED IN 1925. HOWEVER, DUE TO THEIR AGE AND INCREASING LAND VALUES, THE IMPROVEMENTS WERE NOT CONSIDERED TO CONTRIBUTE TO VALUE

THE SITE IS ZONED MULTIPLE FAMILY R-C WHICH REQUIRES MINIMUM SITE SIZE OF 13,333 SQUARE FEET TO CONSTRUCT TWO ATTACHED LUXURY TOWNHOMES WHICH IS A COMMON USE FOR THE IMMEDIATE AREA. TOWNHOME DEVELOPMENT WAS CONSIDERED TO BE THE HIGHEST AND BEST USE FOR THE SUBJECT SITE SINCE THE SITE CONTAINS 18,000 SQUARE FEET.

LAND VALUE ANALYSIS

FIVE LAND SALES WERE ANALYZED TO ESTIMATE THE VALUE OF THE SUBJECT SITE. SINCE THIS MARKET IS INCREASING, OLDER SALES 4 AND 5 WERE ADJUSTED UPWARD FOR TIME TO EQUATE THEM TO CURRENT MARKET CONDITIONS. THE TIME ADJUSTMENTS WERE ESTIMATED AT 1.5% PER MONTH OF THEIR SALE PRICE WHICH WERE APPLIED FROM THEIR SALE DATES, UP TO AND INCLUDING MARCH 2016. THE TIME ADJUSTMENTS ARE SUPPORTED FROM THE ADJUSTED INDICATIONS FROM NEWER SALES 1-3.

SALE 4 IS LANDMARKED MEANING THE HOME CANNOT BE RAZED FOR NEW CONSTRUCTION. HOWEVER, BASED ON ALL OTHER INDICATIONS, THE SITE SOLD FOR LAND VALUE WITH NO PREMIUM FOR THE IMPROVEMENTS.

THE ADJUSTMENTS FOR LOCATION AND EXPOSURE WERE APPLIED ON A PERCENTAGE BASIS OF THE SALE PRICE WHICH WERE ROUNDED TO THE NEAREST \$5,000. THE ADJUSTMENTS FOR SALES 4 AND 5 WERE BASED ON THE TIME ADJUSTED SALE PRICES. CONSIDERATION WAS GIVEN TO THE SUBJECTS LOCATION NEXT TO THE BRAZILIAN OF PALM BEACH CONDOMINIUM WHICH WOULD OFFER INFERIOR VIEWS FROM THE HYPOTHETICAL EAST SUBJECT TOWNHOME COMPARED TO AN EXPOSURE TO A SINGLE FAMILY HOME. SINCE ONLY ONE OF THE TWO HYPOTHETICAL SUBJECT UNITS WOULD FACE THE BRAZILIAN OF PALM BEACH CONDOMINIUM, THE SITE/VIEW ADJUSTMENTS WERE ESTIMATED AT 5%.

THE LOT SIZE ADJUSTMENTS WERE BASED ON THE DIFFERENCE IN SIZE TIMES \$275 PER SQUARE FOOT.

IN REFERENCE TO THE ATTACHED LAND SALE CHART, 215 BRAZILIAN AVENUE IS EAST OF THE SUBJECT AND FLANKS THE BRAZILIAN OF PALM BEACH CONDOMINIUM TO THE EAST. SINCE PURCHASE, THIS SITE WAS DEVELOPED WITH LUXURY TOWNHOMES. THE TWO OTHER HIGHLIGHTED SALES IN THE SAME TIME PERIOD ARE ALSO ZONED R-C BUT ARE NOT LARGE ENOUGH FOR TOWNHOME DEVELOPMENT. COMPARED TO THESE SALES, THE BRAZILIAN AVENUE SALE DID NOT INDICATE A CLEAR PREMIUM FOR TOWNHOME DEVELOPMENT. THEREFORE, NONE OF THE SALES USED IN THE ANALYSIS, ZONED FOR SINGLE FAMILY DEVELOPMENT WERE ADJUSTED

ADDENDUM

Borrower: PETER CALLAHAN		File No.: 18-2973
Property Address: 297 BRAZILIAN AVENUE		Case No.:
City: PALM BEACH	State: FL	Zip: 33480
Lender: HALE, SHAW & PFAFFENBERGER, P.A.		

UPWARD TO ACCOUNT FOR THE SUBJECT'S CAPABILITY TO ACCOMMODATE TOWNHOME DEVELOPMENT.

WHILE SALES 2 AND 5 REQUIRED THE LEAST AMOUNT OF PERCENTAGE ADJUSTMENTS, SALES, 1, 3 AND 4 ARE IN THE IMMEDIATE AREA. THEREFORE, APPROXIMATELY EQUAL WEIGHT WAS PLACED ON EACH OF THE SALES IN THE MARKET ANALYSIS.

THE \$5,000,000 VALUE CONCLUSION EQUATES TO \$278 PER SQUARE FOOT WHICH WAS CONSIDERED TO BE REASONABLE COMPARED TO THE OTHER INDICATIONS.

File No. 16-2973

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale at of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

File No. 16-2973

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withhold any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and Limiting Conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 237 BRAZILIAN AVENUE, PALM BEACH, FL, 33480

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: Roger A. Finch
 Name: ROGER A. FINCH
 Date Signed: 04/04/2016
 State Certification #: CERT RES RD824
 or State License #: _____
 State: FL
 Expiration Date of Certification or License: 11/30/2016

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

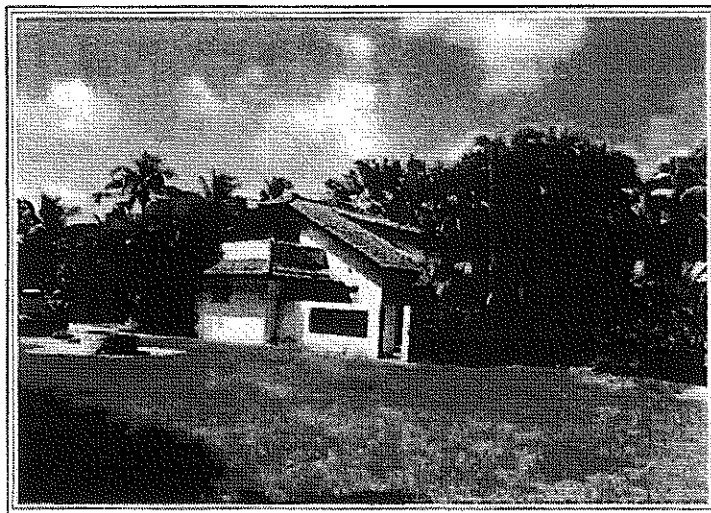
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: PETER CALLAHAN	File No.: 16-2973	
Property Address: 237 BRAZILIAN AVENUE	Case No.:	
City: PALM BEACH	State: FL	Zip: 33480
Lender: HAILE, SHAW & PFAFFENBERGER, P.A.		



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: April 1, 2016
Appraised Value: \$ 5,000,000



REAR VIEW OF
SUBJECT PROPERTY

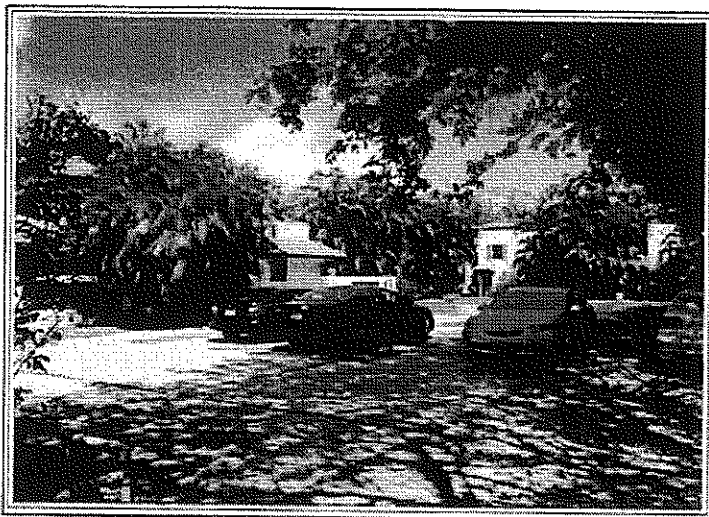


STREET SCENE

Borrower: PETER CALLAHAN	File No.: 16-2973
Property Address: 237 BRAZILIAN AVENUE	Case No.:
City: PALM BEACH	State: FL
Lender: HAILE, SHAW & PFAFFENBERGER, P.A.	Zig: 33480



FRONT BUILDING



FRONT SIDE YARD

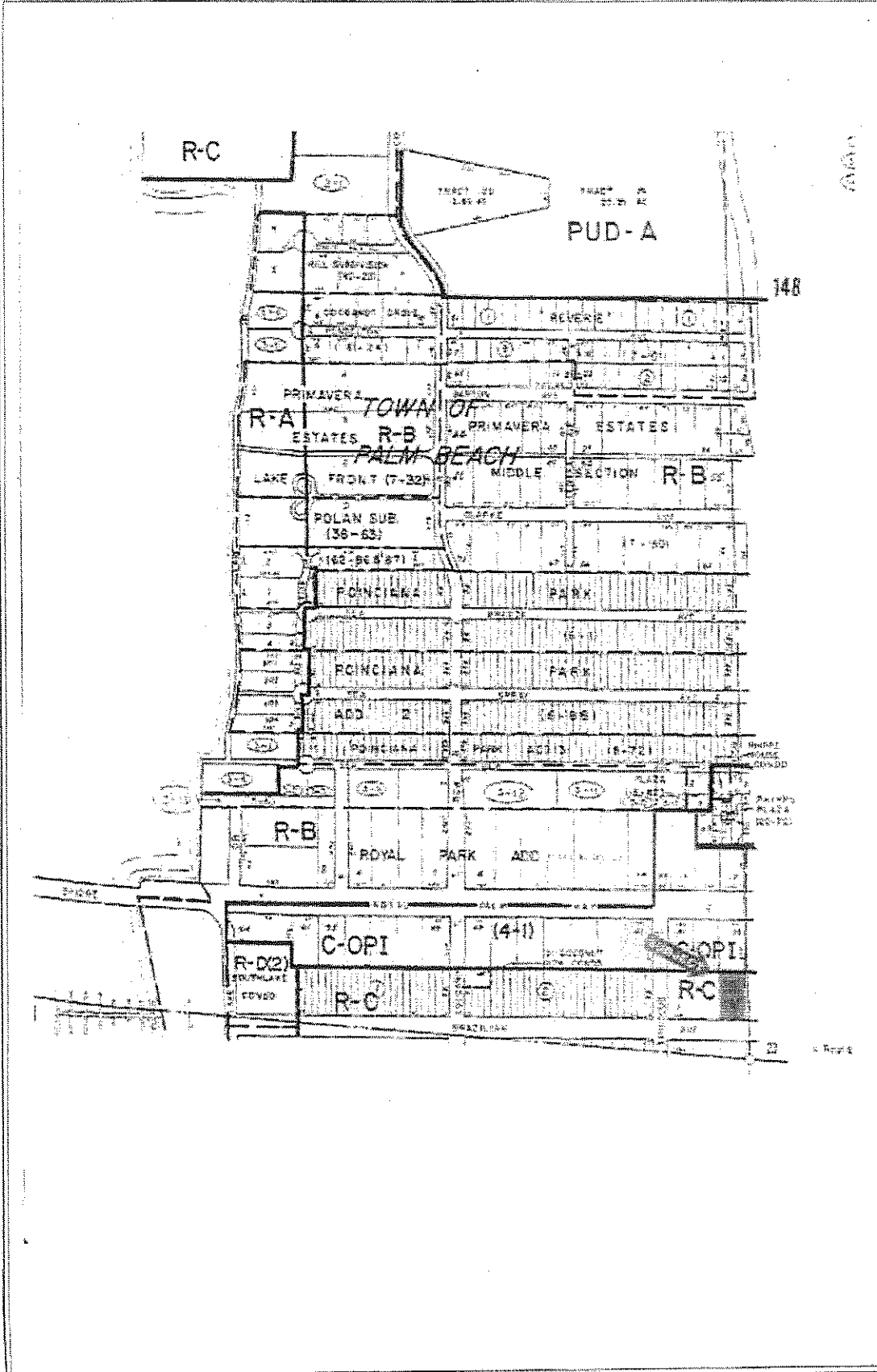


SIDE YARD IS NEXT TO CONDOMINIUM

PLAT MAP

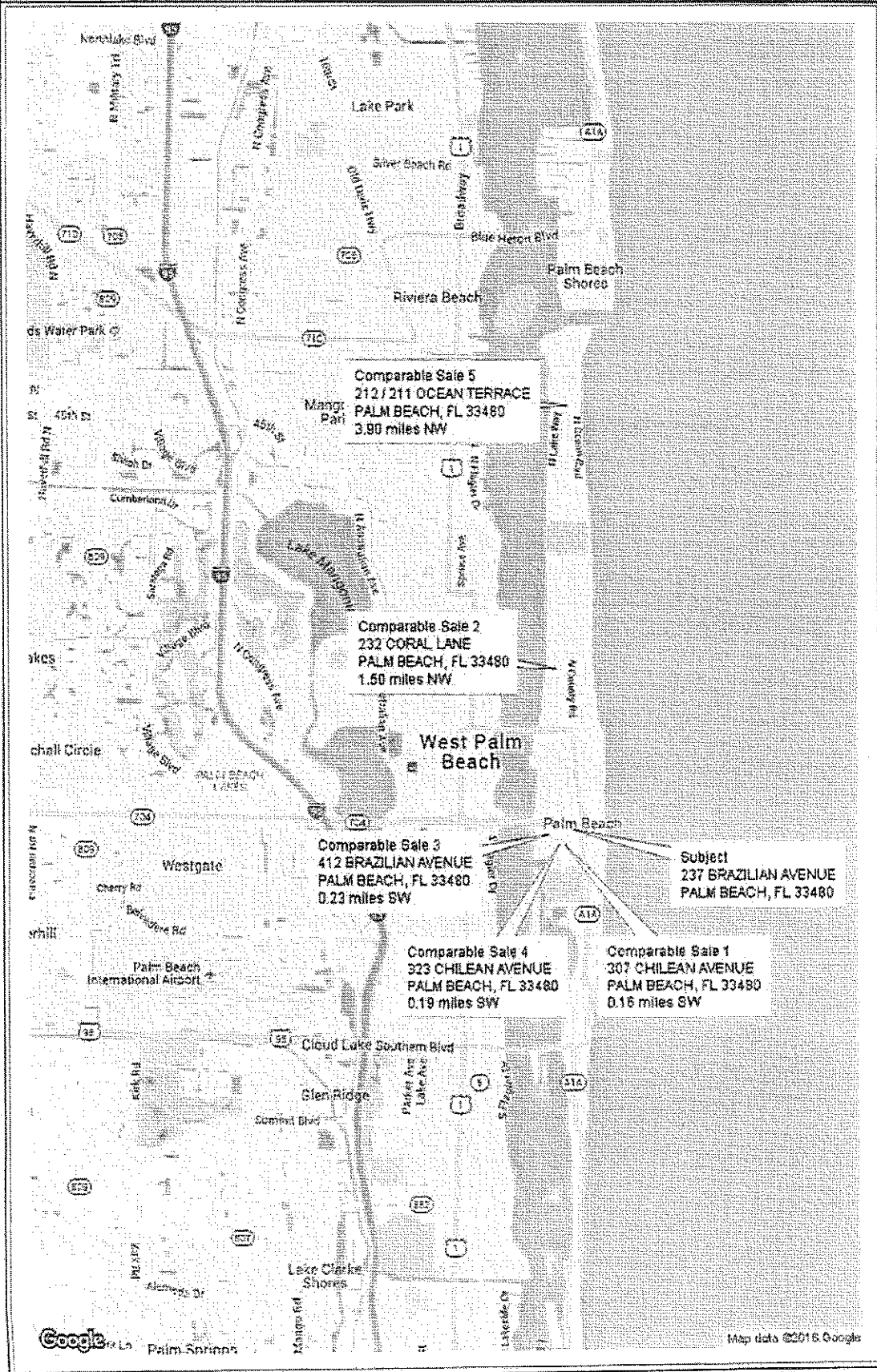
Borrower: PETER CALLAHAN
Property Address: 237 BRAZILIAN AVENUE
City: PALM BEACH
Lender: HAILE, SHAW & PFAFFENBERGER, P.A.

Fig No.: 16-2973
Case No.:
State: FL
Zip: 33480



LOCATION MAP

Borrower: PETER CALLAHAN	File No.: 16-2973	
Property Address: 237 BRAZILIAN AVENUE	Case No.:	
City: PALM BEACH	State: FL	Zip: 33480
Lender: HAILE, SHAW & PFAFFENBERGER, P.A		



LAND SALE CHART INDICATING NO PREMIUM FOR A TOWNHOME CAPABLE LOT

Borrower: PETER CALLAHAN		File No.: 16-2573
Property Address: 237 BRAZILIAN AVENUE		Case No.:
City: PALM BEACH	State: FL	Zip: 33480
Lender: HAILE, SHAW & PFAFFENBERGER, P.A.		

PALM BEACH INTERIOR LAND SALES

ADDRESS	SALE PRICE	SALE DATE	LOT SIZE	\$/SF
232 Emerald Lane	\$5,500,000	11/14	31,300	\$176
211 Jungle Road	\$8,125,000	10/14	35,000	\$232
214 Wells Road	\$4,500,000	08/14	19,500	\$231
428 Australian Ave	\$1,410,000	08/14	6,260	\$226
340 Garden Road	\$2,800,000	07/14	14,500	\$193
340 Garden Road	\$1,950,000	05/14	14,500	\$134
221 Atlantic Ave.	\$1,500,000	08/14	10,000	\$150
228 Seaspray Ave.	\$1,800,000	06/14	9,188	\$196
204 Via Del Mar	\$5,750,000	06/14	28,500	\$202
309 Dunbar Road	\$2,730,000	06/14	14,800	\$184
1053 N Lake Way	\$2,400,000	06/14	16,640	\$152
142 Via Palma	\$2,500,000	05/14	17,500	\$143
152 Dolphin Road	\$2,000,000	05/14	11,000	\$182
233 West Indies	\$2,250,000	05/14	14,662	\$153
215 Brazilian Ave. * Zoned R-C to be improved with townhome...	\$6,000,000	04/14	33,300	\$180
308 Coconut Row	\$1,161,000	03/14	6,375	\$183
241 Jungle Road	\$8,300,000	03/14	41,560	\$199
151 Chilean Ave.	\$2,600,000	02/14	12,500	\$208
167 Seagate Road	\$1,665,000	02/14	13,400	\$124
160 Seaview Ave	\$4,350,000	01/14	24,250	\$179
242 Ocean Terrace	\$1,625,000	01/14	11,500	\$141

EXHIBIT E

PROPOSED RESIDENCE AT:
237 BRAZILIAN AVENUE
TOWN OF PALM BEACH PALM BEACH COUNTY, FLORIDA



DAILEY JANSSEN ARCHITECTS, P.A.
450 Orange Street, Suite #200 West Palm Beach, Florida 33401 TEL: 561-833-4707



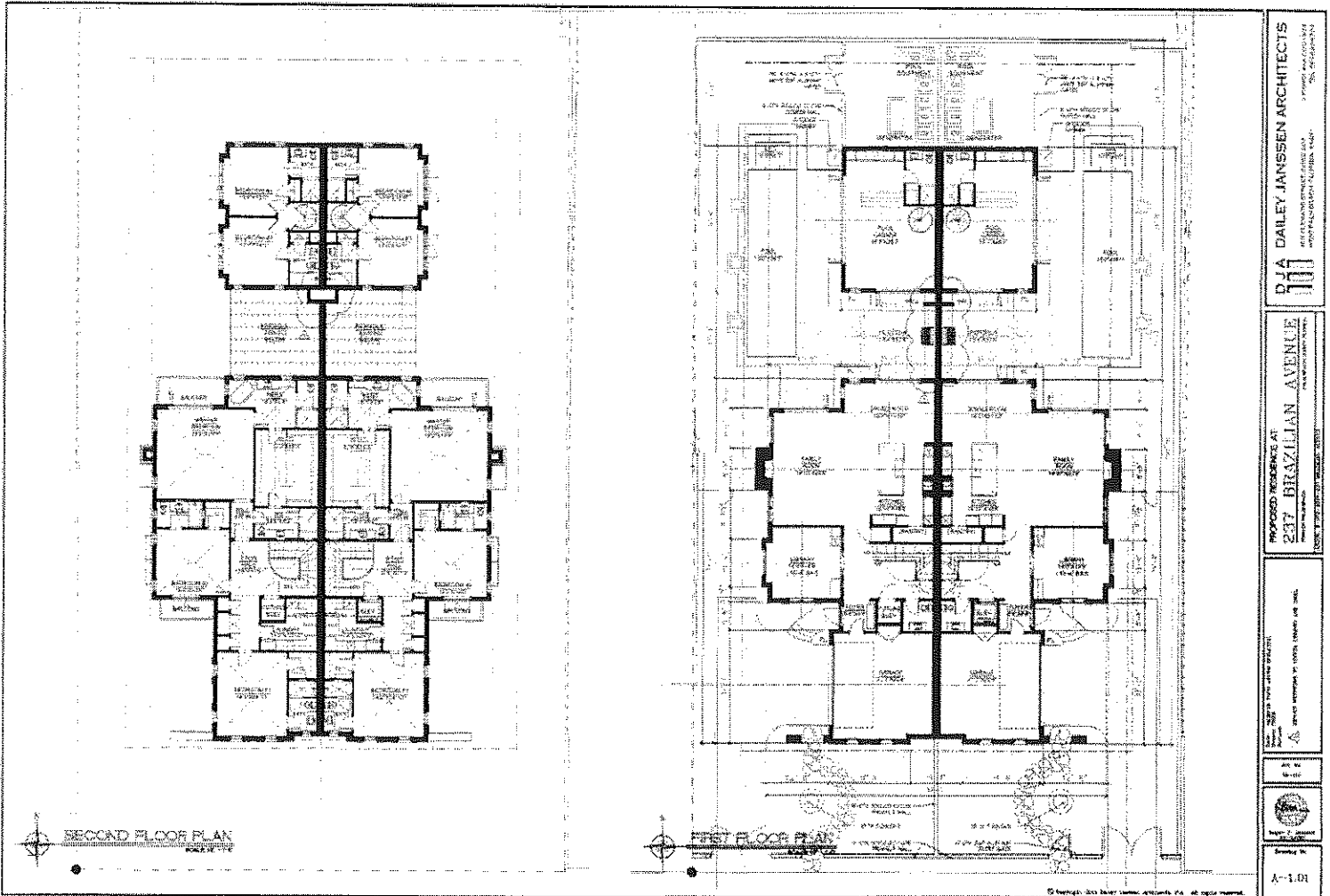
CURRENTLY PROPOSED WEST ELEVATION

SCALE 1/4" = 1'-0"



PREVIOUSLY PROPOSED WEST ELEVATION

SCALE 1/4" = 1'-0"



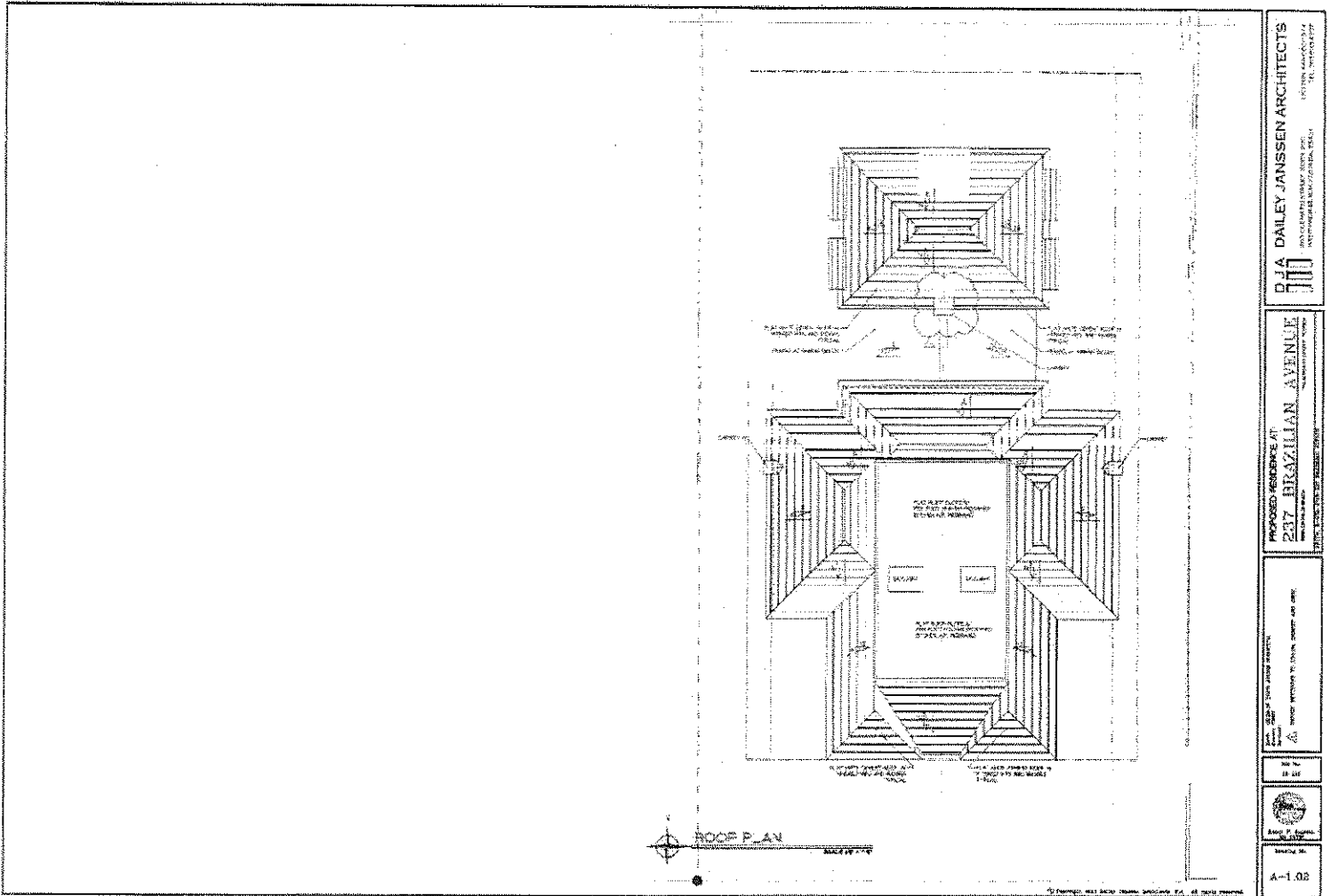
P/A DAILEY JANSEN ARCHITECTS
1100
1100
1100
1100

PROPOSED RESIDENCE AT
237 BRAZILIAN AVENUE
DAILEY JANSEN ARCHITECTS, P.A.
1100

DATE: 10/14/16
SCALE: 1/8" = 1'-0"



A-1.01

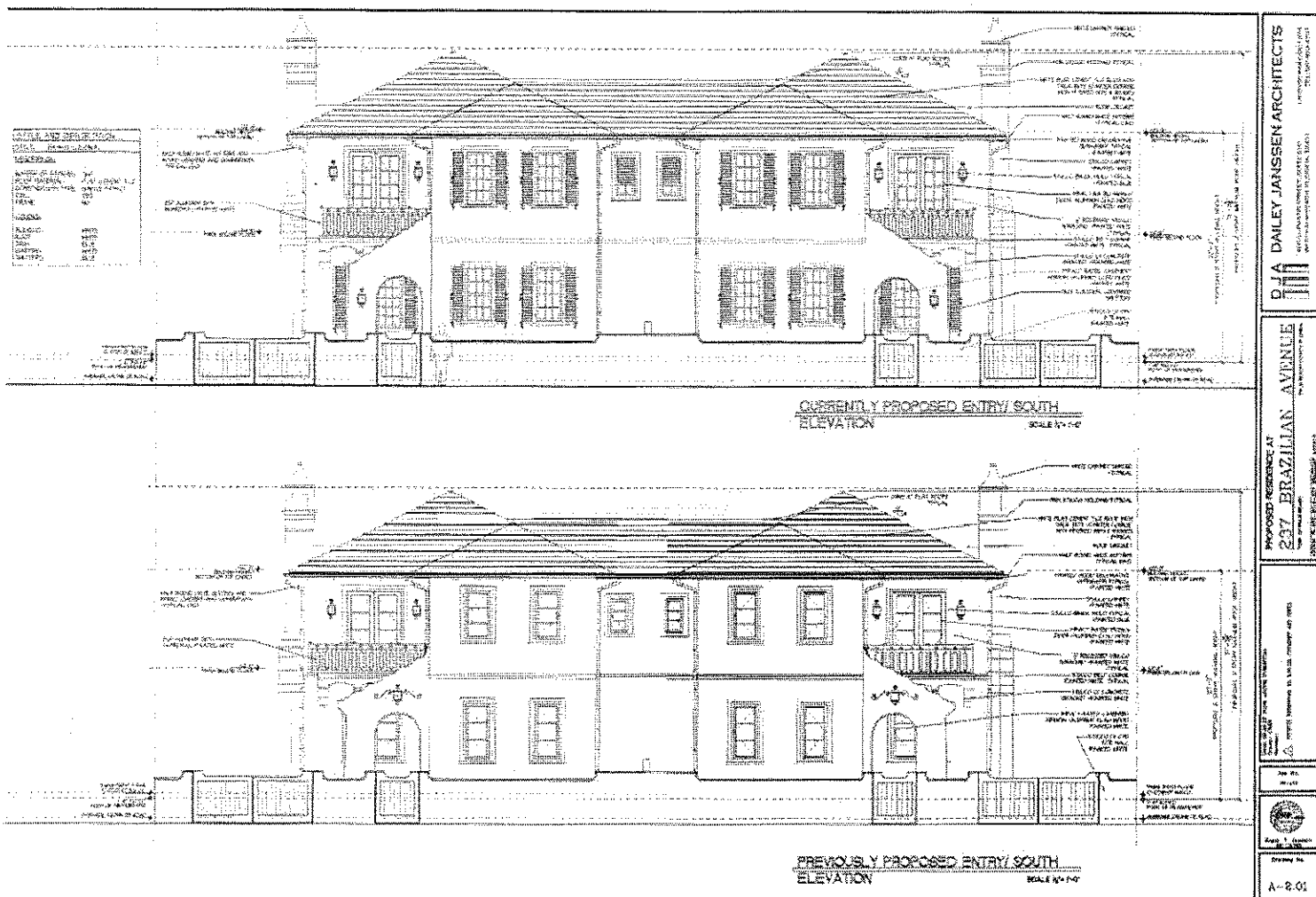


DAILEY JANSSEN ARCHITECTS
 10101 W. UNIVERSITY BLVD., SUITE 100
 TAMPA, FL 33613
 TEL: 813.973.1100
 WWW.DJARCHITECTS.COM

PROPOSED RESIDENCE AT
 237 BRAZILIAN AVENUE
 TAMPA, FL 33613

DAILEY JANSSEN ARCHITECTS
 10101 W. UNIVERSITY BLVD., SUITE 100
 TAMPA, FL 33613
 TEL: 813.973.1100
 WWW.DJARCHITECTS.COM

DATE: 10/14/16
 SCALE: AS SHOWN
 SHEET NO. A-1.02



DAILEY JANSSEN ARCHITECTS
1100 W. 10TH AVENUE, SUITE 100
DENVER, CO 80202
TEL: 303.733.1111

PROPOSED RESIDENCE AT
237 BRAZILIAN AVENUE
DENVER, CO 80202

Scale: 1/4" = 1'-0"

Sheet No. A-2.01