

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**
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In re:

GREEN TERRACE CONDOMINIUM
ASSOCIATION, INC.,

Case No. 17-19188-PGH

Debtor.

Chapter 11

**SUPPLEMENT TO DEBTOR AND ANGELA CIRIELLO'S JOINT MOTION
TO APPOINT CHAPTER 11 TRUSTEE (ECF NO. 71)**

Green Terrace Condominium Association, Inc., debtor and debtor in possession (the "Debtor" or the "Association"),¹ and Angela Ciriello ("Ciriello"), by and through their undersigned counsel, submit this Supplement to their joint motion for entry of an order pursuant to 11 U. S.C. sections 1104(a) and (b), directing the Office of the United States Trustee to appoint a Chapter 11 Trustee to administer the Debtor's estate and its affairs [D. E. 71] ("Original Trustee Motion"), together with any and all additional relief which may be necessary under the circumstances of this case.

1. As stated in the Original Trustee Motion, the Debtor's current Board of Directors, appointed by a state court Receiver shortly before his commencement of this Chapter 11 case (the "Independent Board"), is battling to keep control of the Debtor from reverting back to the members of the prior dishonest and self-dealing boards (the "Prior Boards") controlled by Kenneth Bailynson ("Bailynson"), and that Bailynson has been attempting to retake control of the Debtor by recalling the current Independent Board members and appointing a "New Bailynson Board."

¹ Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Original Trustee Motion.

2. Since the Original Trustee Motion, the New Bailynson Board has acted as if it is in complete control of the Debtor. It has improperly assumed that Bailynson's recall of the Independent Board was valid even though it was rejected and challenged through statutory administrative avenues. Fla. Stat. 718.112(2)(j) and Florida Administrative Code Chapter 61B-50 (and specifically 61B-50.105(2)). It certainly appears from the DBPR's Order For Answer directed at Bailynson and his insiders and naming them "respondents", that the New Bailynson Board has jumped the gun. A copy of this order is attached as Exhibit "J". A copy of the Petition is attached as Exhibit "K". Finally, it has scoffed at the written notices they received to the effect that the Independent Board and the Debtor do not recognize the attempted recall and that it does not consider any acts that the New Bailynson Board takes to be of any force or effect.

3. The current and on-going actions of the proposed New Bailynson Board members are creating substantial confusion and hindering the Debtor's operations. Among other things, they have independently contacted the Debtor's prior property manager, arguably in violation of the automatic stay, who has refused to step down or turn over records to a new property manager, despite being ordered to do so by this Court, creating inefficiency in the Debtor's operations (*see* email from Beverley Jamasan attached as Exhibit "L"). They sought to retain new counsel for the Debtor without disclosing the challenge to their authority and the circumstances of the alleged recall and the pending DBPR Petition. *See Expedited Application Of The Debtor-In-Possession For Approval, On An Interim And Final Basis, Of Employment Of Glenn D. Moses And The Law Firm Of Genovese Joblove & Battista, P.A., As General Bankruptcy Counsel For The Debtor-In-Possession Nunc Pro Tunc To September 18, 2017 [D. E. 86]*. They sought to independently terminate current counsel's representation (*see* letter signed by Raymond Benel attached as Exhibit "M"). They changed the names of the Directors on file with the Florida Department of Corporations (*see* prior Amended

Annual Report filed August 10, 2017 attached as Exhibit "N" and Amendment dated September 21, 2017 attached as Exhibit "O").

5. Grounds exist to appoint a chapter 11 trustee because the creditors have no confidence in the New Bailynson Board and the split between it and the Independent Board and their struggle for control is insurmountable, undeniable and prejudicial to the Debtor. The prompt appointment of a chapter 11 trustee is in the best interests of the creditors and the non-Bailynson controlled members of the Debtor. 11 U.S.C. Sec. 1104(a)(2).

6. Grounds exist to appoint a chapter 11 trustee because the New Bailynson Board has actual and inherent conflicts with the Debtor, including that some of the members are defendants in the pending State Court Action which is estate property. Also, the New Bailynson Board will not prosecute Bailynson and WPAC's ongoing stay violations nor will it challenge the claim of Bailynson's company, Boken, the holder of the \$1.5 Million Insider Loan. *See* Joint Motion to Enforce Automatic Stay (ECF No. 70). 11 U.S.C. sec. 1104(a)(2).

7. As shown here and in the Original Trustee Motion, it is painfully apparent that the Association will be irreparably damaged if an independent fiduciary is not placed in control of the Debtor's affairs. The "New Bailynson Board's" recent actions clearly buttress this conclusion.

I HEREBY CERTIFY that I am admitted to the Bar of the United States District Court for the Southern District of Florida and that I am in compliance with the additional qualifications to practice in this Court as set forth in Local Rule 2090-1(A).

Respectfully submitted,

/s/ Eric A. Rosen

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