



MEMORANDUM

AGENDA ITEM #IV.E

DATE: MAY 20, 2024

TO: COUNCIL MEMBERS

FROM: STAFF

SUBJECT: TRADITIONAL RLF – CORNERSTONE PAVING INC. (BORROWER) – CH. 7 BANKRUPTCY -
PRINCIPAL WRITE-OFF RATIFICATION

On December 14, 2023, the South Florida Regional Planning Council received a Chapter Bankruptcy Notification from Cornerstone Paving Inc, a minority owned business, which is 100% owned and operated by Glorious and Roosevelt Walker. Cornerstone Paving Inc. was approved for their initial \$300,000 loan on November 9, 2006, (18 years ago) and has a current outstanding balance of approximately \$260,000. It should be noted, since loan inception, the borrower predominately repaid interest-only toward the loan despite numerous legal engagements to modify the terms and conditions to address principal repayments. As a result, the borrower repaid approximately \$209,000 over the full loan term; the majority applied to interest. Kerry Ezrol from Goren Cherof has been notified and will represent the SFRPC as legal counsel.

Cornerstone Paving Inc. was established as a Florida Corporation on February 19, 1999 and specialized in asphalt repair and maintenance services. The loan was utilized for equipment and vehicle acquisition as well as working capital to assist with help growing a minority owned business in Broward County. Cornerstone Paving Inc. was previously operating at 2500 Hollywood Blvd in Hollywood, FL Suite 205 which is now vacated.

The SFRPC loan was secured with a perfected lien on all business assets however the bankruptcy trustee deemed no inherent value of the remaining assets as determined by an independent auction. Thus the SFRPC is not anticipated to receive any recoveries to reduce the outstanding principal. The remaining outstanding principal of \$260,365 will be subject to both an RLF and SFRPC board approved write-off.

The RLF Board met on April 16, 2024 and approved the recommended write off of the outstanding balance. The SFRPC loan administration team will continue to assist Goren Cherof as needed in regards to the bankruptcy proceedings.

Recommendation

Loan administration supports a write-off of the remaining outstanding principal balance of \$260,365 as a result of the termination and closure of the operating business and Chapter 7 Bankruptcy with no anticipated recoveries.



Steve Foreman

From: Kerry L. Ezrol <KEzrol@gorencherof.com>
Sent: Tuesday, February 20, 2024 3:20 PM
To: Jeffrey Tart
Cc: Sean M. Swartz
Subject: FW: Ch-7 23-20317-SMG Trustee's Notice of Abandonment Cornerstone Paving
Attachments: Doc 18 Trustee's Notice of Intent to Abandon all Property (00596481xC4B6A).PDF

Good afternoon Jeff,

Notwithstanding what counsel for the Trustee has offered back in December 2023 about liquidating the assets in exchange for 50% of the net equity, they have filed the attached Notice of abandonment today.

Let me know what, if any, action you would like us to take to proceed against the collateral.

Thank you.

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Kerry L. Ezrol



GOREN CHEROF
DOODY & EZROL P.A.
ATTORNEYS AT LAW

3099 East Commercial Boulevard, Suite 200

Fort Lauderdale, Florida 33308

Telephone: (954) 771-4500 x 5056 | (561) 276-9400 x 5056 | Fax: (954) 771-4923

Email: KEzrol@gorencherof.com | www.GorenCherof.com

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA

In re:

Case No. 23-20317-SMG

CORNERSTONE PAVING INC.

Chapter 7

Debtor.

NOTICE OF ABANDONMENT OF PROPERTY

TO: ALL INTERESTED PARTIES LISTED BELOW

FROM: SONYA S. SLOTT, TRUSTEE

PURSUANT TO BANKRUPTCY RULE 6007, THE PROPOSED ABANDONMENT WILL BE DEEMED APPROVED WITHOUT NECESSITY OF A HEARING OR ORDER, IF NO OBJECTION IS FILED AND SERVED WITHIN 14 DAYS AFTER THE DATE OF SERVICE OF THIS NOTICE. NOTICE IS HEREBY GIVEN OF THE ABANDONMENT OF THE FOLLOWING DESCRIBED PROPERTY:

All property on Schedule B [ECF #1] to include:

- a. **Truist Checking x9898**
- b. **2006 Nissan Titan – last 6 VIN x543071**
- c. **2006 Nissan Titan – last 6 VIN x552649**
- d. **2006 Anderson Trailer – last 6 VIN x041521**
- e. **1993 Chevrolet Silverado 1500 – last 6 VIN x258877**
- f. **2006 Ford F-750 – last 6 Vin x297353**
- g. **1986 Ford F-800 – last 4 VIN x8604**
- h. **2006 HAMM Briggs – Serial No. 1394820**
- i. **1997 LeeBoy Asphalt Paver –**
- j. **2 Shipping Containers**
- k. **2004 Komatsu WA250-3 – Serial No. A71020**
- l. **2004 Komatsu GD530A – Serial No. 210615**
- m. **2004 Bobcat Loader – Serial No. 526911021**
- n. **1983 Hyster C600 – last 6 VIN xC3233P**
- o. **1982 Ingersol 3-Wheel Roller – last 4 VIN x1304**
- p. **Bobcat Roller – Serial No. 861880231090**

THESE PROPERTIES ARE BEING ABANDONED FOR THE FOLLOWING REASONS:

PROPERTY IS BEING ABANDONED BECAUSE: THERE IS NO EQUITY IN THE PROPERTY; THE PROPERTY IS OF NO VALUE TO THE ESTATE; THE PROPERTY IS BURDENSOME TO THE ESTATE OR IS INCONSEQUENTIAL IN VALUE.

WRITTEN OBJECTIONS TO THIS ABANDONMENT ARE TO BE FILED WITH THE CLERK, U.S. BANKRUPTCY COURT, SOUTHERN DISTRICT OF FLORIDA, FEDERAL BUILDING,

[] 51 SOUTHWEST FIRST AVENUE, 15TH FLOOR, MIAMI, FLORIDA 33130

[X] 299 EAST BROWARD BLVD., ROOM 112, FT. LAUDERDALE, FLORIDA 33301

[] 1515 NORTH FLAGLER DRIVE, WEST PALM BEACH, FLORIDA 33401

ANY OBJECTIONS FILED WILL BE SET FOR HEARING WITH THE BANKRUPTCY COURT FOR RESOLUTION. UNLESS WRITTEN OBJECTIONS ARE FILED WITHIN 14 DAYS FROM THE DATE OF THIS NOTICE, THE PROPERTY SHALL BE DEEMED TO BE ABANDONED, COPIES OF ANY OBJECTIONS ARE TO BE MAILED TO:

SONYA S. SLOTT, TRUSTEE
P.O. Box 15580
Plantation, FL 33318
(954) 423-4469
(954) 423-4479 (fax)

PURSUANT TO BANKRUPTCY RULE 6007, THE PROPOSED ABANDONMENT WILL BE DEEMED APPROVED WITHOUT NECESSITY OF A HEARING OR ORDER, IF NO OBJECTION IS FILED AND SERVED WITHIN 14 DAYS AFTER THE DATE OF SERVICE OF THIS NOTICE.

I CERTIFY THAT A COPY HEREOF HAS BEEN FURNISHED TO THE PARTIES LISTED ON THE ATTACHED SERVICE LIST BY U.S. MAIL ON THIS DATE.

Dated: February 20, 2024

/s/ Sonya S. Slott, Trustee

Sonya S. Slott, Trustee
P.O. Box 15580
Plantation, FL 33318
(954) 423-4469

COPIES:

Debtor(s)

Secured Creditors

Any other parties of interest
listed on the attached exhibit

Jeffrey Tart

From: Sean M. Swartz <SSwartz@gorencherof.com>
Sent: Thursday, December 14, 2023 11:18 AM
To: Jeffrey Tart; Kerry L. Ezrol
Subject: FW: Cornerstone Paving Inc. 23-20317-SMG
Attachments: Cornerstone ECF #1.pdf

Importance: High

Good morning Jeff,

FYI below and your input please.

Thank you,

Sean M. Swartz



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From: Zachary Malnik <zachary@msbankrupt.com>
Sent: Thursday, December 14, 2023 11:13 AM
To: Sean M. Swartz <SSwartz@gorencherof.com>
Cc: Kristen Clifton <kristen@msbankrupt.com>; Mark Bonacquisti <mark@msbankrupt.com>
Subject: Cornerstone Paving Inc. 23-20317-SMG
Importance: High

Sean:

The above captioned bankruptcy case was just filed and my client, Sonya Slott, has been appointed as chapter 7 trustee of the Debtor. Based on the attached schedules, it appears that your client, South Florida Regional Planning Counsel, has a properly perfected lien on all assets of the business except for one Bobcat that has a PMSI lien. Therefore, the Trustee has asked me to reach out to you to solicit your client's input on how they wish to proceed. There are two options going forward.

First, the Trustee abandons your client's collateral back to your client who will need to take steps to secure, remove, and dispose of its collateral.

Second, the Trustee secures the property on behalf of your client and utilizing the services of George Richards of National Auction Company conducts an auction with your client's consent. After the sale, 50% of net proceeds from the auction would be paid to your client directly on behalf of its secured claim. The other 50% would be a carveout to the bankruptcy estate to pay of the costs of administration and then be paid to creditors pursuant to the standard distribution scheme. Your client would be entitled to share in the distribution to unsecured creditors pro rata based on its allowed deficiency claim.

Please speak with your client and get back to me as soon as possible so that the Trustee can act accordingly. Happy to jump on a call if needed.

Thank you,



ATTORNEYS AT LAW

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(954) 423-4479 (fax)

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Plantation, FL 33324
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