

Bankruptcy Group Of The Year: Akerman

By **Carolina Bolado**

Law360 (February 6, 2023, 2:02 PM EST) -- Akerman LLP bankruptcy and reorganization attorneys took charge of the Champlain Towers South Condominium Association after the Surfside, Florida, tower's collapse and played a key role in bringing the subsequent litigation to a close with a \$1 billion global settlement, landing the firm a spot as one of Law360's Bankruptcy Groups of the Year.

On July 2, 2021, just one week after the Champlain Towers South collapsed, Miami-Dade Circuit Judge Michael Hanzman appointed Akerman partner Michael Goldberg as receiver for the condominium association, putting him at the center of an emotionally charged legal battle that came to a close this past summer, bringing monetary relief to survivors and the families of the 98 people killed in the June 24, 2021, collapse.

Goldberg and his team at Akerman — which included construction litigators, bankruptcy attorneys, real estate lawyers and several paralegals — were involved in every aspect of the case and dealt not just with other lawyers but also directly with the victims.

"We'll never be able to bring back 98 people, but we were able to, with the leadership of the judge, keep these people from being mired in litigation," he said.

Goldberg's successful receivership practice is just one part of Akerman's group, which has about 30 attorneys nationwide practicing bankruptcy restructuring work full time. Practice group leader Andrea Hartley, who has been at Akerman's Miami office for almost 25 years, attributed the group's success to its nimbleness and the attorneys' ability to collaborate across all groups and offices.

"There isn't a case where different attorneys from different practice groups aren't working together," Hartley said. "Clients know our experience allows us to handle complex bankruptcy matters and to leverage our national bench in other practice areas, like tax, corporate and other areas that impact our bankruptcy clients."

In addition to the Surfside matter, Akerman also represented the North Florida Council of Boy Scouts of America in connection with the national Boy Scouts of America Chapter 11 proceeding in Delaware.

John Thompson, an Akerman partner in Washington, D.C., said the North Florida council was one of



hundreds that came together in an ad hoc committee to make sure the thousands of sexual abuse claims that had put the organization into bankruptcy would be resolved while maintaining the financial resources to keep the organization going.

"The committee, they utilized it as a vehicle to be a buttress or provide a greater level of guidance in governance to Boy Scouts national, which they had felt was long in need of a guidance tool," Thompson said. "It was an exquisitely well-run team by the leaders of the ad hoc committee. I wish every ad hoc committee worked as well as this one did."

Akerman's bankruptcy team was also heavily involved in the bankruptcies resulting from two major Ponzi schemes.

Goldberg was appointed independent director and later the liquidating trustee in the bankruptcy of Professional Financial Investors Inc. and Professional Investors Security Fund Inc., which engaged in an \$850 million Ponzi scheme that defrauded hundreds of investors who bought what they thought were stakes in multiunit residential and commercial real estate properties.

He also was appointed liquidation trustee in the case of a \$1.2 billion Ponzi scheme allegedly orchestrated by the owner of the Woodbridge Group of Companies that raised money from 8,400 investors through the sale of fraudulent notes. The notes were purportedly secured by real estate but actually were used to pay off principal and interest due to previous investors.

Goldberg, who likened his receivership role as stepping in and becoming a CEO of a company, said that when he took on the Woodbridge case, much of the property involved was half-built. Had he sold it then, in that condition, the estate would have lost money. So his group formed a construction company and oversaw the construction of dozens of homes. The sales of those completed homes brought in significantly more money for the victims, he said.

"You can't go in with a litigator's mentality," Goldberg said. "You have to go in with a business mentality and a way to solve problems through ways other than litigation. Litigation tends to play a role in the case, but it's not a primary role."

In the case of the Champlain Towers Association, Goldberg had to take charge of the association as recovery teams were still combing the debris pile for bodies. He negotiated the sale of the property, worked closely with officials at all levels of government with regard to access to the site, personal property of victims and other site-specific issues, and had to quickly become an expert in Florida condominium law.

Goldberg led off every hearing before Judge Hanzman, which were weekly affairs at first before switching to a twice-monthly schedule. The judge kept the attorneys on a tight schedule to avoid a situation in which victims and their families would be mired in litigation for years.

The judge's strategy led to the desired result: a \$1 billion settlement announced just before the one-year anniversary of the collapse. But the demanding schedule took a toll on Goldberg, who said he ended up in the hospital twice during the course of the litigation with what doctors said was severe anxiety.

"I had to push, push, push, and a lot of that fell on my shoulders," he said. "There's nothing in the case that I was not involved in."

He said he still has about \$125 million in the association's accounts that needs to be distributed. That's been held up by delays on recipients' ends as they get their estates in order.

The Akerman bankruptcy team is already preparing for the year ahead, which Hartley says will likely bring an increase in bankruptcy filings as a lot of debt will mature in the second half of 2023. She said the firm is actively looking for more bankruptcy practitioners.

And Thompson said he is proud of the cryptocurrency insolvency team that the group put together recently, which includes professionals from other practice groups to help deal with the coming storm in the cryptocurrency world.

"The Akerman bankruptcy team really is a very collaborative group working on matters across the country and also across the spectrum of insolvency," Thompson said. "It's a really nice place to be. I don't feel the sharp elbows that often accompany big powerhouse bankruptcy practices."

--Editing by Linda Voorhis.