

**IN THE COUNTY COURT IN AND FOR MIAMI-DADE COUNTY, FLORIDA**

5501 NE 2ND AVENUE, LLC,  
a Florida limited company,

CIVIL DIVISION

Plaintiff,

CASE NO.:2020-018438-CC-05

vs.

DISTRICT LIVE AGENCY, LLC,  
a Florida limited company,  
and all others in possession,

Defendant.

\_\_\_\_\_/

**DEFENDANT DISTRICT LIVE AGENCY, LLC'S MOTION TO DETERMINE RENT  
AND/OR IN THE ALTERNATIVE MOTION TO DISMISS UNDERLYING EVICTION  
COMPLAINT**

DEFENDANT, District Live Agency, LLC ("DLA"), by and through undersigned counsel, pursuant to Florida Statute § 83.232, hereby files this Motion to Determine the Amount of Rent, if any, to appropriately be deposited into the Court Registry and/or in the Alternative Motion to Dismiss the Underlying Eviction Complaint ("Motion"), and in support thereof, states as follows:

**Introduction**

1. Florida Statutes § 83.232 provides that the tenant shall pay into the Court registry the amount of rent alleged by the landlord in the complaint to be unpaid, or if such amount is contested, such amount as is determined by the Court. Here, DLA contests the amount that Plaintiff 5501 NE 2<sup>nd</sup> Ave LLC ("Plaintiff") claims is due under the subject lease.

2. Not dissimilar from countless entertainment venues and businesses nationwide, DLA's business, as operator of Churchill's Pub, was and continues to be affected pursuant to the COVID-19 pandemic. However, as explained herein, notwithstanding the difficulties of the circumstances, DLA's Rent (as defined below) was consistently paid and to date, no Rent is owed by DLA under the Lease.

3. On or about August 17, 2020, Plaintiff posted a defective Three-Day Notice<sup>1</sup> reflecting that \$92,838.02 (the “Claimed Amount Due”) is due and owing from DLA to Plaintiff for non-payment of rent.<sup>2</sup> The Three-Day Notice provided no specifics concerning the basis of the Claimed Amount Due and leaves to the imagination, which months of allegedly unpaid rent under the Lease, it seeks. The Three-Day Notice is unquestionably defective because DLA has paid rent for all months upon which it would be obligated, despite the fact that the business, a historic pub located in Little Haiti, has been closed since March pursuant to the Covid-19 pandemic.

4. There is no support whatsoever for the Claimed Amount Due nor could Plaintiff conceivably provide any reasonable basis for claiming such an amount within the Three-Day Notice. It is also noteworthy that the Complaint lists an amount different from the Claimed Amount Due, alleging that the Three-Notice “informed Defendant that it owed Plaintiff the sum of \$105,864.03.” (*See* Compl. at ¶ 11). On this basis alone this action should be dismissed.

5. As pled herein, Plaintiff has no support or actionable basis to institute an action against DLA for the Claimed Amount Due. DLA has unambiguously paid what is owed, and in fact well-beyond what is owed, under the subject lease (“Lease”).

6. Moreover, DLA has timely provided written notice pursuant to various building code violations at the subject property, which restrict DLA’s ability to operate and would obviate DLA’s rent obligations under the Lease. However, notwithstanding all of this, DLA has ensured that all rents (whether technically owed by DLA or not) have been paid.

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<sup>1</sup> The defects of the purported Three-Day Notice are described herein and with more particularity in the Answer, Affirmative Defenses and Counterclaim filed by DLA in this action. In the filing of this Motion, DLA reserves all rights and also seeks dismissal of this action pursuant to the defects of the purported Three-Day Notice or for any other cause of dismissal for which this honorable Court may enter such relief .

<sup>2</sup> As asserted in the Answer and Affirmative Defenses to the Complaint filed in this matter, the defect-laden Three-Day Notice is just cause for the dismissal of this action, however, DLA files this Motion and its contents, in an abundance of caution, reserving all rights.

7. Accordingly, DLA seeks the entry of an Order determining the appropriate amount of rent, if any, to be paid into the court registry during the underlying eviction proceedings, which DLA submits under the facts herein should be dismissed as the unlawful eviction that it is, which in any event lacks the required procedural and substantive merit. Plaintiff knows all of this, including the fact that there is no Rent due, but has instituted this eviction action in retaliation for DLA's speaking out against the landlord's fraudulent and unlawful actions, including non-payment of monies owed to DLA's parent company.

**Facts Supporting Relief Requested Herein**

8. DLA is the hospitality management group that oversees all aspects of the Churchill's Pub business (the "Business"). Having vast experience in the industry, DLA is an established agency specializing in operations, financial performance and business development.

9. DLA is led by Franklin Dale ("Dale") who has over twenty years of experience in the industry, managing beverage services and events for venues such as the American Airlines Arena, Marlins Park, Circuit of the Americas and others. DLA is a subsidiary of its majority parent The Beverage Group ("TBG").

10. Dale is the sole owner of TBG. TBG has extensive business advisory experience with clients including III Points, The Wood Tavern Group, and Trust Hospitality. Dale's experience also includes over a decade in business operational oversight with the National Football League, National Basketball Association, Major League Baseball and Formula 1 racing.

11. TBG owns 100% interest in Churchill Beverage, LLC. Churchill Beverage LLC ("Churchill Beverage" or the "Business") is the owner of the business of Churchill's Pub (the "Pub"), which is located at 5501 NE 2<sup>nd</sup> Ave, Miami, FL 33161.

12. Churchill's Pub is one of the oldest bars in Miami-Dade County and is regarded as

an important landmark for live independent music not only in Miami but also nationally.

13. On or about April 1, 2019, DLA entered into the Lease with Plaintiff. The terms therein required that rent in the amount of (the “Rent”) be paid on the first of every month, without notices. At the time of the signing of the Lease, DLA paid \$10,500.00 as a security deposit (the “Security Deposit”).

14. Despite the Lease’s term not requiring notices, from April, 2019 to March, 2020 Plaintiff provided monthly invoice notices to DLA for the Rent payments. To-date, the Rent has been paid consistently.

15. DLA’s continued consistent payment of all Rent obligations under the Lease and under Florida law is despite the fact that on July 1, 2019, the City of Miami posted building code violation (“Code Violation”) on the Property, which DLA informed Plaintiff of and for which DLA demanded remedy. Prior to receiving the July 1, 2019 Code Violation notice, Plaintiff had received a building Code Violation for the Property on May 23, 2018.

16. As explained herein, to date the Code Violations have not been remedied.

17. Leading up to the Covid-19 pandemic, under Dale and DLA’s leadership the pub was doing well and Rent was being paid, timely and pursuant to invoices provided on a monthly basis.

***The COVID-19 Pandemic Shuts Down the Business From Lawfully Operating***

18. On March 1, 2020 the Governor of Florida issued Executive Order 20-51, declaring a state of emergency pursuant to the Covid-19 pandemic.

19. On March 12, 2020 the Mayor of Miami-Dade County declared a local state of emergency to respond to the threat posed by the Covid-19 pandemic.

20. Bars were officially closed pursuant to local law mid-March, 2020.

21. The Coronavirus Aid and Relief and Economic Security Act (the “CARES Act”) was passed into law on March 27, 2020.

22. On March 31, 2020 Plaintiff violated the terms of the Lease by summarily and intentionally failing to renew the Business’s liquor license, which DLA was leasing. Under the Lease, at Section 3.1, it was a requirement that the liquor license stay active and it states as follows:

“[s]aid use of the liquor license shall run for the entire life of this Lease and any Lease Renewal Terms outlined herein. At no point during the entirety of the Lease Term may Tenant be permitted to obtain a separate liquor license for use on the premises. Any violation of this provision shall constitute a default of the Lease and be subject to the default provisions herein.

*See* Liquor License; Portion of Lease addressing Section 3.1 and Notice of Liquor License being set to Expire March 31, 2020, attached hereto as Composite Exhibit “A”. Ultimately the Liquor License did not stay active, contrary to the mandatory lease terms. This hinders any ability for the Business to operate through the sale of “to-go” basis, including operating as a liquor store.

23. Under the CARES Act, business owners could apply for relief pursuant to a set of application rules, strictly enforced by the regulatory body governing the CARES Act. The CARES Act included the Paycheck Protection Program (the “PPP”).

24. The PPP established by the CARES Act, was implemented by the Small Business Administration with support from the Department of the Treasury. This program provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used by the business listed in the application to pay interest on mortgages, rent, and utilities.

***COVID-19, The CARES ACT and the Rent Reduction Agreement***

25. On or about April 8, 2020 Dale and Plaintiff’s principal, Mallory Kauderer (“Kauderer”) agreed that while the Pub was closed, DLA would owe a reduced rent in the amount of \$5,000 per month (the “Rent Reduction Agreement”). *See* correspondence between Dale and

Kauderer attached hereto as Exhibit "B". According to Kauderer, the "[\\$3,000] difference is deferred to be worked out later." *Id.*

26. Under the CARES Act, the Pub was entitled to PPP funds. It was further agreed that because all government funding relied upon Churchill Beverage LLC's financial information, upon receipt of the PPP money from the government, funds covering an indefinite number of months' of DLA's rent would be applied directly to amounts owed under the Lease, on behalf of DLA, until the PPP funds were completely consumed.

27. In early May, 2020 Kauderer (purportedly on behalf of the Business) received a sum of \$42,551.00 in PPP funds, which were required to be applied to the Business of the Pub. Approximately \$14,000 of the PPP funds went to pay payroll. Therefore, it was agreed by Kauderer and Dale that the remaining approximately \$27,500 was to be applied to the Rent. Under the PPP program, because only \$14,000 of the PPP funds went to payroll, it is required that the remaining \$27,500 be applied to either the Rent, mortgage interest or utilities, in order to be forgivable as a grant, which was the Business's intention (for it to be forgivable).

28. It was therefore agreed that the remaining \$27,500 would be applied to the Rent, as is required by law. This is particularly true in this instance, where none of the PPP funds were applied to mortgage interest (the Business does not have a mortgage) or utility payments.

***DLA Makes All Subject Rent Payments***

29. Following the timely payment of the March, 2020 Rent payment, Plaintiff continued to maintain possession of the Security Deposit.

30. On April 10, 2020, \$4,400 was transferred from the Business' bank account and was applied to the rent DLA owed under the Lease pursuant the Temporary Rent Reduction Agreement. For all intents and purposes, this payment was made for purposes of paying the April

rent, while the Pub remained closed. A copy of the Churchill Beverage LLC banking statement for the month of April, 2020, reflecting the April rent payment is attached hereto as Exhibit “C”.

31. On May 26, 2020, \$10,020.20 in rent payments were transferred from the Churchill Beverage LLC bank account and was applied to the rent DLA owed under the Lease pursuant the Temporary Rent Reduction Agreement. For all intents and purposes, this payment was made for purposes of paying the May and June rent, while the Pub remained closed. A copy of the Churchill Beverage LLC banking statement for the month of May, 2020, reflecting the May and June rent payments is attached hereto as Exhibit “D”.

32. On June 4, 2020, \$4,900.01 was transferred from the Churchill Beverage LLC bank account and was applied to the rent DLA owed under the Lease pursuant the Temporary Rent Reduction Agreement. For all intents and purposes, this payment was made for purposes of paying the July rent, while the Pub remained closed. A copy of the Churchill Beverage LLC banking statement for the month of June, 2020, reflecting the July rent payment is attached hereto as Exhibit “E”.

33. Going into the month of August, \$19,320.21 had been paid by DLA to the Landlord pursuant to the PPP funds and Temporary Rent Reduction Agreement for the months of April – July (four months of rent payments). At this point, \$8,179.80 of PPP funds remained, which, if not applied to utilities, must be applied to the Rent. Therefore, after the August Rent is applied from the PPP funds, there would still be a balance of \$3,179.80 to be applied to the September Rent.

34. At no point in time from March through the time of the posting of the Three-Day Notice, did Plaintiff make any demand for unpaid rents in any way. The reason for this fact is simple – Plaintiff knew that the Rent had been paid, in accordance with the facts as provided herein above.

35. Additionally, beginning in June of 2020, Plaintiff knew that it had misappropriated and seemingly absconded with nearly \$150,000.00 of Government funding that was required to be applied expressly for the benefit of the Pub's Business, which would include at a minimum, the Operator's Rent. This is especially true when considering the fact that Plaintiff's application on behalf of the Business, eliminated, as a matter of law, DLA or Churchill Beverage LLC's ability to apply for such funds with respect to the Business.

36. In fact, the Business, Churchill Beverage LLC ultimately applied for CARES Act funding and was denied by the Office of Disaster Assistance with the following message attached:

We have received multiple applications from your business for economic injury as a result of Coronavirus (COVID-19). Your earliest application will continue to be processed and we have withdrawn application number 3314611761 from active consideration.

37. On July 15, 2020, Kauderer locked Dale and DLA out of the shared QuickBooks account, effectively crippling DLA for accessing all financial information relating to the Business. This is despite the fact that Kauderer does not own the Business as discussed in further detail directly below. Kauderer locked Dale and DLA out of the QuickBooks for purposes of furthering and perpetrating the fraud and unlawful eviction discussed herein.

***Further CARES Act Funding is Applied for by Kauderer and Approved by (Under Penalty of Perjury) by the Government for the Express Benefit of the Pub's Business – Not for Purposes of Personally Enriching the Landlord***

38. To be clear, Kauderer is not an owner of Churchill Beverage LLC (the Operator of Churchill's Pub), nor any entity that has an ownership interest in the Pub, other than the fact that he is the mortgagee of the land where the Pub sits. Kauderer formerly held the lease at the Property through the business Churchill's Pub LLC but that leasehold interest expired upon the signing of the Lease with DLA. Kauderer merely owns the liquor license at the Pub through Churchill's Pub LLC but maintains no personal ownership interest in the Pub. When DLA signed the Lease, it

assumed full ownership of the Business, pursuant to the agreement of the Parties. *See e.g.*, Correspondence reflecting the parties' agreement considering the ownership of the Business attached hereto as Exhibit "F".

39. Therefore, it is beyond question that when Kauderer applied for CARES Act funds in his own individual name, using his own social security number but using the Pub's (Churchill Beverage LLC) Financial Information (including *revenue, costs of goods, accounts payable*, etc.), such funds were required to be applied solely to the Pub's business.<sup>3</sup> Kauderer was not entitled to personally enrich himself based on the Businesses' financials but he apparently just couldn't help himself.

40. Had Kauderer wanted to appropriately apply for such funding he would have needed to do so using the financial information of his company, the Plaintiff entity or its parent – not the financial information of the Pub. By applying using the Pub's financial information Kauderer created an obligation to use the funds expressly for the Pub's business.

41. Furthermore, in applying for these further CARES Act funds, Kauderer listed accounts payable in the application to include TBG (the parent company of DLA) in the amount of \$128,000.00, pursuant to professional consulting services rendered to Churchill's Pub LLC (during the prior time when that entity owned the Pub), among other vendors. It was expressly agreed that the \$128,000.00 owed to TBG would either be paid by Kauderer or serve to off-set any Rent ever owed. Notwithstanding this fact, DLA was current with its Rent payments.

42. On June 12, 2020, \$149,900.00 in SBAD Treas 310 funds ("SBAD Treas 310 Funds" or the "Federal Disaster Relief Funds") pursuant to the CARES Act were deposited into

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<sup>3</sup> In an attempt to facilitate this fraud, Kauderer represented to Dale that these funds were applied for by Churchill's Pub LLC, rather than in his own name. Kauderer utilized the Pub's financial information but listed himself as a personal guarantor, however, irrespective of this, any funds applied for in the name of the business of the Pub must be applied to the Pub.

the Churchill Beverage LLC bank account. According to Kauderer's accountant, Manal Oliver ("Oliver"), Kauderer applied to the EIDL funds using Churchill Beverage LLC's bank statements under the name Churchill's Pub LLC, because Kauderer had given Oliver this impression. In reality, Kauderer fraudulently applied for the EIDL using Churchill Beverage LLC's bank statements, but under his own personal name and social security number. However, Kauderer does not own the Business and this was thus fraudulent.

43. It had not only been agreed upon by Dale and Kauderer that these Federal Disaster Relief Funds would exclusively be used for the Pub, but as a matter of law, the SBAD Treas 310 funds must be used solely for the Pub's benefit. This is particularly true in this instance when considering the fact that the entirety of the SBAD Treas 310 Funds were predicated on the Pub's financial statements. In fact, it is a requirement that accounts payable vendors (such as TBG/DLA) listed on the application, must be paid if such disaster assistance funds were obtained after being predicated on such debts.

44. Incredibly, on that very same day, June 12, 2020, the SBAD Treas 310 Funds were entirely, fraudulently transferred out of the Churchill Beverage LLC bank account to an entity called Little Haiti Development Partners, LP ("LHDP"), which is unrelated to the Business but the owner of Plaintiff. The \$149,000 (out of the total of \$149,900) and its application to the Pub's direct benefit was not a matter of negotiation following Kauderer's application of the funds on behalf of the Pub (a business for which he has no ownership interest and is merely the mortgagee on the land). *See* Exhibit "E".

45. Nonetheless, Kauderer transferred the \$149,000 (leaving \$900 in the Churchill Beverage LLC account) under the auspices that it was a loan provided by Churchill Beverage LLC to LHDP. *See* screenshot of the Business' QuickBooks account reflecting the characterization of

the transfer as a “loan” from Churchill Beverage LLC to LHDP, attached hereto as Exhibit “G”.

46. Churchill Beverage LLC and the Business, never made any agreement to loan LHDP any money. Moreover, to do so with CARES Act funds reflects an unlawful act because such was not the purpose for which the ones were applied.

47. Kauderer, who is the sole owner of the Plaintiff entity seeking to evict DLA has misappropriated these Federal Disaster Assistance Funds in violation of internal agreements but more consequentially in violation of his sworn oaths, subject to penalty of perjury and beyond pursuant to the CARES Act application process.

48. In a nutshell, the Rent has been paid, Plaintiff owes DLA’s parent company \$128,000.00 and Plaintiff’s principal has to date absconded with \$149,000.00 in Federal Disaster Relief Funds that are required to be applied directly to the Business and pursuant to the financial information and specifically accounts payable, listed in Kauderer’s application, made under penalty of perjury.

49. On June 12, 2020 Dale and DLA first complained about the misappropriation of the funding from the Churchill Beverage bank account. Kauderer conceded that he had misappropriated the funds but rather than following the law and the parties’ agreements, Kauderer attempted to leverage his possession of the CARES Act funds for purposes of trying to re-negotiate established lease terms across multiple properties so that he could further enrich himself personally.

50. To be clear, Kauderer and Plaintiff actually owe Churchill Beverage LLC, the Business, the \$149,000 of SBAD Treas 310 Funds, which was agreed would be applied to any Rent ever owed, if needed. Furthermore, because Kauderer listed TBG as an account payable in his application for the SBAD Treas 310 Funds, such is required to be paid consistent with this

representation under the terms of the CARES Act.

51. Irrespective, DLA has paid all monies owed under the Lease. It is therefore 1) outrageous; 2) retaliatory; and 3) unlawful that Plaintiff would institute this eviction action.

52. Pursuant to these foregoing facts, this eviction action should be dismissed when considering the fraudulent behavior of Plaintiff and its principal Kauderer.

***The Eviction is Unlawfully Retaliatory in Response to DLA's Objection to Kauderer's Fraud and No Rent is Owed.***

53. It is beyond question that the instant eviction action has been prosecuted in retaliation for DLA's communications objecting to Kauderer's absconding with the SBAD Treas 310 Funds in violation of federal law.

54. On July 31, 2020, Francisco Herretes ("Herretes"), a business partner and representative of Kauderer and Leavitt, sent correspondence conceding that:

It's fair to say that this office has not been an acceptable communicator or facilitator for you or any of our Tenants, and I know we failed at walking you through complex lease issues during crazy times. We still have a way to go to get through this, but now with the experience of Midgard, hopefully we should be able to work things out – at least hear what you have in mind and start a talk

*See* screenshot of text message from Herretes to Dale, attached hereto as Exhibit "H".

55. More particularly, DLA sent Kauderer and his business partner, Donita Leavitt, a letter dated August 17, 2020 (the "August 17, 2020 Letter"), reflecting DLA's objection with the misappropriation of the SBAD Treas 310 Funds; Plaintiff's Failure to disclaim the City's demands for 40/50 year building recertifications; Plaintiff's failure to adhere to its agreement to demolish an unsafe structure; remedy the kitchen roof leak; remedy restroom roof leak; and remedy kitchen gas leak. The August 17, 2020 Letter is attached hereto as Exhibit "I".

56. The August 17, 2020 Letter also provided notice sufficient under Florida Law that the Property had building code violations and 40/50 year Recertification issues but more

importantly advises Plaintiff's certain prior (mis)representations that fraudulently induced DLA to enter into the Lease (such as Plaintiff's prior commitment to demolishing the unsafe structure, remedy the kitchen roof leak, remedy the restroom roof leak and remedy the kitchen gas leak).

57. Critically, Plaintiff represented that it would accomplish these improvements through the use of Opportunity Zone funds. DLA detrimentally relied on these promises.

58. Therefore, in exchange for DLA and Churchill Beverage LLC's financial information relative to the Business, Plaintiff had agreed to remedy the aforementioned unsafe structure, kitchen roof, restroom roof and kitchen gas leak issues.

59. To date Plaintiff has not 1) remedied these unsafe structures, roof or gas leak issues; 2) returned any of the CARES Act funds that were misappropriated from the Churchill Beverage LLC bank account, and which by agreement should have been applied to the Rent OR in the alternative applied to the accounts payable owed to TBG; or provided any accounting whatsoever to support its unsupportable Three-Day Notice.<sup>4</sup>

60. Plaintiff, through its principal Kauderer, has perpetrated a fraud not only on DLA in a variety of manners consistent with the foregoing and beyond, but also seeks to perpetrate a fraud on the SBA's CARES Act program and this honorable Court. Indeed, there is no Rent that is owed and to the extreme contrary TBG/DLA is owed hundreds of thousands of dollars.

### ***Relief Requested***

61. As laid out herein, Kauderer and Plaintiff's attempts to mislead the Court with this unlawful, sham eviction proceeding, which is being weaponized to obfuscate and hide the obligations its owes to DLA are shameful. In light of the defects contained in the Three-Day Notice and Plaintiff's Lease violations and violations of law, as described herein, DLA requests that this

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<sup>4</sup> It is remarkable that the Three-Day Notice reflects \$92,838.08 in allegedly unpaid rent but the Complaint filed in this action reflects the sum of \$105,864.03. Such repugnancy alone is grounds for dismissal of the Complaint.

Court dismiss the underlying eviction action, with prejudice.

62. Alternatively, DLA requests a hearing where it can put on evidence in support of its assertions in the Motion herein, where it will seek a determination that no rent is due and therefore no back Rent is required to be paid into either DLA counsel's trust account (specifically for this matter) or the Court's registry.

63. Should the Court find, as we believe it will, that the evidence supports a finding that Kauderer and Plaintiff (along with its agents referenced herein) have defrauded the Business and DLA to the detriment of DLA and other creditors of the Plaintiff; and that vast sums of monies are due and owing to DLA's parent company, TBG, DLA hereby demands that its attorney's fees are paid as a sanction against Plaintiff and Kauderer for the instant sham eviction action.

64. In the interim, as proceedings in this honorable Court progress, DLA's counsel can collect the monthly Rent into its trust account during the pendency of this proceeding, or it can alternatively be deposited into the court registry. Until then, DLA submits that it owes no Rent under the Lease and looks forward to this Court's determination pursuant to Florida Statute § 83.232 concerning the amounts, if any, to be paid for past Rent.

WHEREFORE, Defendant District Live Agency LLC respectfully requests that this Court enter an Order dismissing the underlying eviction action and/or alternatively, determining that there is no back-Rent due in this matter and further authorizing it to continue to pay regular rent on a going-forward basis during the pendency of these proceedings into its counsel's trust account or the Court registry, and for all other such further relief as this Court deems proper under these circumstances.

Dated this 22nd day of September, 2020.

Respectfully submitted,

GENOVESE JOBLOVE & BATTISTA, P.A.

*Attorneys for Defendant*

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100 Southeast Second Street

Miami, Florida 33131

Telephone: (305) 349-2300

Facsimile: (305) 349-2310

By: /s/ Omar K. Bradford

Omar K. Bradford, Esq.

Florida Bar No.: 90444

obradford@gjb-law.com

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing was served by Florida Courts e-filing portal to Hilary R. Zalman, Esq., eService@ZalmanLawFirm.com, Zalman Law, P.A., 7050 Montrico Drive, Boca Raton, FL 433, on this 22 day of September, 2020.

By: /s/ Omar K. Bradford

Omar K. Bradford, Esq.

# EXHIBIT “A”



**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**

**DIV OF ALCOHOLIC BEVERAGES & TOBACCO  
2601 BLAIR STONE ROAD  
TALLAHASSEE FL 32399-0783**

850.487.1395

**CHURCHILLS PUB LLC  
CHURCHILLS PUB  
300 NE 71 STREET  
MIAMI FL 33138**

**Congratulations! With this license you become one of the nearly one million Floridians licensed by the Department of Business and Professional Regulation. Our professionals and businesses range from architects to yacht brokers, from boxers to barbeque restaurants, and they keep Florida's economy strong.**

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**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND  
PROFESSIONAL REGULATION**

**BEV2300396 ISSUED: 03/25/2019  
TOB-DUAL LICENSE  
RETAILER OF ALCOHOLIC BEVERAGES  
CHURCHILLS PUB LLC  
CHURCHILLS PUB**

**IS LICENSED under the provisions of Ch. 565 FS.  
Expiration date : MAR 31, 2020 L1903250001033**

DETACH HERE

RON DESANTIS, GOVERNOR

HALSEY BESHEARS, SECRETARY

**STATE OF FLORIDA  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
DIV OF ALCOHOLIC BEVERAGES & TOBACCO**

<b>LICENSE NUMBER</b>	<b>SERIES</b>	<b>TOBACCO</b>
BEV2300396	4COP	DUAL LICENSE

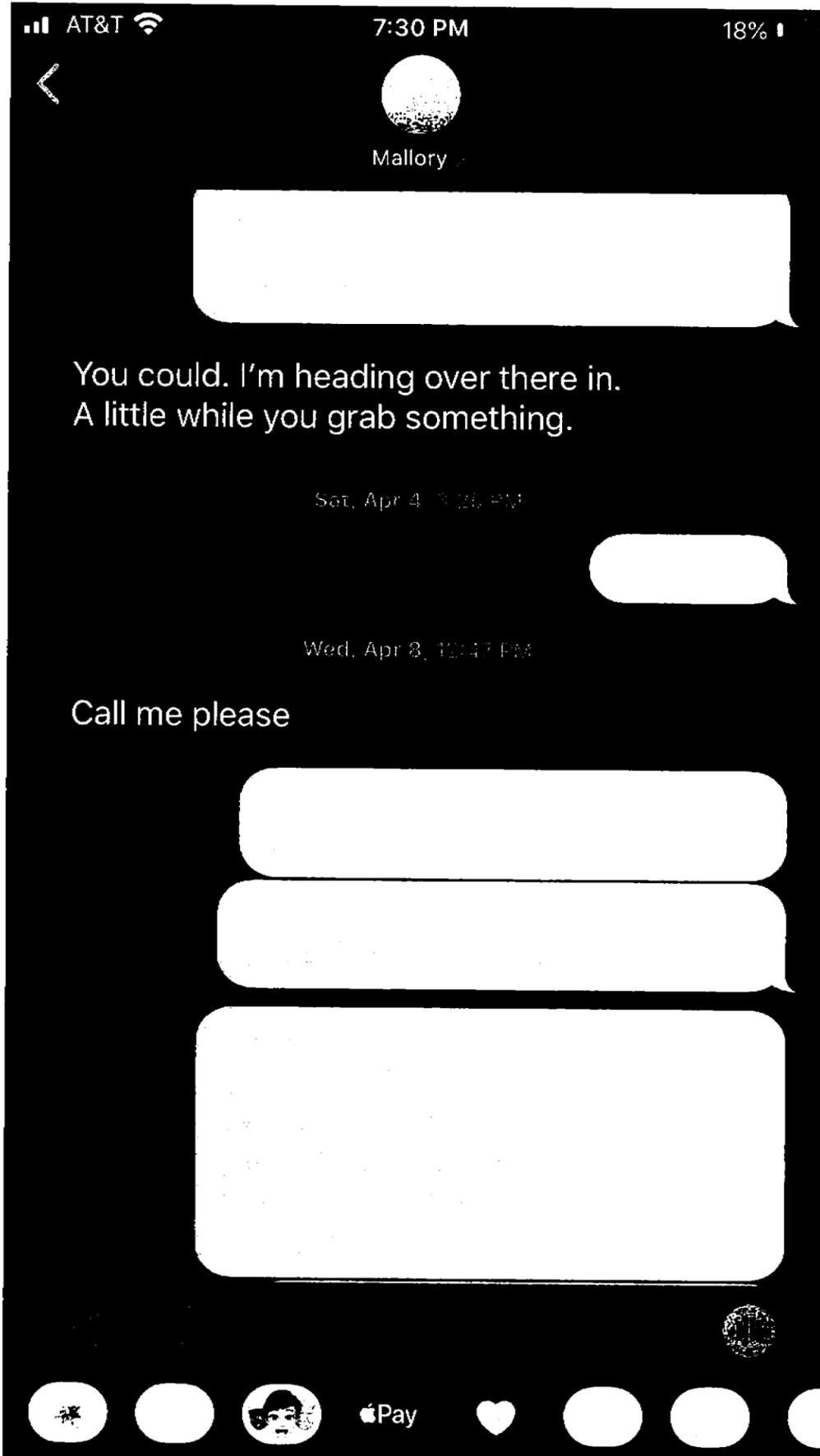
**The RETAILER OF ALCOHOLIC BEVERAGES  
Named below IS LICENSED  
Under the provisions of Chapter 565 FS.  
Expiration date: MAR 31, 2020**

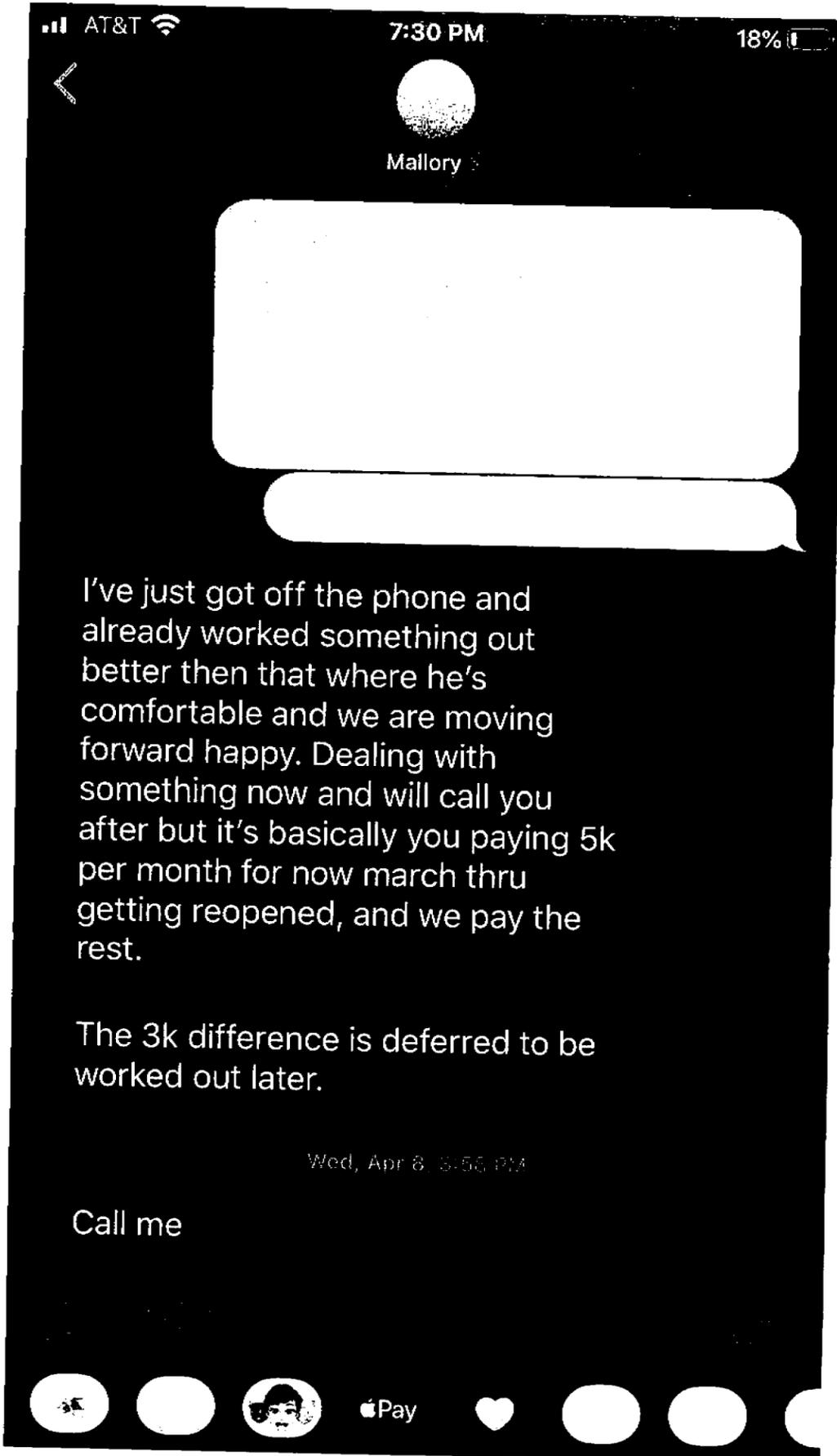


**CHURCHILLS PUB LLC  
CHURCHILLS PUB  
5501 NE 2ND AVENUE  
MIAMI FL 33137**



# EXHIBIT “B”





# EXHIBIT “C”



JPMorgan Chase Bank, N.A.  
 P O Box 182051  
 Columbus, OH 43218 - 2051

April 01, 2020 through April 30, 2020

Account Number: [REDACTED]

**CUSTOMER SERVICE INFORMATION**

Web site: **Chase.com**  
 Service Center: **1-800-242-7338**  
 Deaf and Hard of Hearing: **1-800-242-7383**  
 Para Espanol: **1-888-622-4273**  
 International Calls: **1-713-262-1679**



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CHURCHILL BEVERAGE, LLC  
 300 NE 71ST ST  
 MIAMI FL 33138-5530

**CHECKING SUMMARY**

Chase Total Business Checking

	INSTANCES	AMOUNT
<b>Beginning Balance</b>		<b>\$6,207.17</b>
Deposits and Additions	5	791.93
Checks Paid	2	-930.85
ATM & Debit Card Withdrawals	5	-420.47
Electronic Withdrawals	5	-5,020.03
Fees	1	-15.00
<b>Ending Balance</b>	<b>18</b>	<b>\$612.75</b>

**DEPOSITS AND ADDITIONS**

DATE	DESCRIPTION	AMOUNT
04/06	Online Transfer From Chk ...9575 Transaction#: [REDACTED]	\$136.00
04/10	ATM Cash Deposit 04/10 9556 Harding Ave Surfside FL Card 3776	600.00
04/29	Kabbage Micro Dpst 2000628 CCD ID: 4264438761	0.71
04/29	Kabbage Micro Dpst 2000628 CCD ID: 4264438761	0.67
04/30	ATM Check Deposit 04/30 6800 Biscayne Blvd Miami FL Card 3776	54.55
<b>Total Deposits and Additions</b>		<b>\$791.93</b>

**CHECKS PAID**

CHECK NO.	DESCRIPTION	DATE PAID	AMOUNT
1292 ^		04/08	\$530.85
1293 ^		04/09	400.00
<b>Total Checks Paid</b>			<b>\$930.85</b>

If you see a description in the Checks Paid section, it means that we received only electronic information about the check, not the original or an image of the check. As a result, we're not able to return the check to you or show you an image.

^ An image of this check may be available for you to view on Chase.com.



April 01, 2020 through April 30, 2020

Account Number: [REDACTED]

### ATM & DEBIT CARD WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
04/01	Card Purchase With Pin 04/01 Silver Paint & Hardwar Miami Beach FL Card 3776	\$117.95
04/02	Card Purchase 04/01 Ordyx 561-807-1502 FL Card 3776	20.00
04/06	Card Purchase 04/02 Jetro Cash & Carry Miami FL Card 3776	248.34
04/10	Recurring Card Purchase 04/09 Apple.Com/Bill 866-712-7753 CA Card 3776	12.99
04/29	Card Purchase With Pin 04/29 Lhp Group Miami FL Card 3776	21.19
<b>Total ATM &amp; Debit Card Withdrawals</b>		<b>\$420.47</b>

### ATM & DEBIT CARD SUMMARY

Franklin Griffith Dale Card 3776

Total ATM Withdrawals & Debits	\$0.00
Total Card Purchases	\$420.47
Total Card Deposits & Credits	\$654.55

ATM & Debit Card Totals

Total ATM Withdrawals & Debits	\$0.00
Total Card Purchases	\$420.47
Total Card Deposits & Credits	\$654.55

### ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
04/02	Paymentech Fee 6354561 CCD ID: 1020401225	\$526.65
04/03	Manal Oliver & A Sale CCD ID: 9215986202	80.00
04/10	04/10 Online Transfer To Chk [REDACTED] Transaction#: [REDACTED]	4,400.00
04/13	04/13 Online Transfer To Chk ...6121 Transaction#: [REDACTED]	12.00
04/29	Kabbage Micro Dbt 2000628 CCD ID: 4264438761	1.38
<b>Total Electronic Withdrawals</b>		<b>\$5,020.03</b>

### FEES

DATE	DESCRIPTION	AMOUNT
04/30	Monthly Service Fee	\$15.00
<b>Total Fees</b>		<b>\$15.00</b>

You were charged a monthly service fee of \$15.00 this period. You can avoid this fee in the future by maintaining a minimum daily balance of \$1,500.00. Your minimum daily balance was \$573.20.

### DAILY ENDING BALANCE

DATE	AMOUNT
04/01	\$6,089.22
04/02	5,542.57
04/03	5,462.57
04/06	5,350.23
04/08	4,819.38
04/09	4,419.38
04/10	606.39
04/13	594.39
04/29	573.20
04/30	612.75

**SERVICE CHARGE SUMMARY**

TRANSACTIONS FOR SERVICE FEE CALCULATION	NUMBER OF TRANSACTIONS
Checks Paid / Debits	10
Deposits / Credits	0
Deposited Items	0
<b>Transaction Total</b>	<b>10</b>

SERVICE FEE CALCULATION	AMOUNT
Service Fee	\$15.00
Service Fee Credit	\$0.00
<b>Net Service Fee</b>	<b>\$15.00</b>
Excessive Transaction Fees (Above 100)	\$0.00
<b>Total Service Fees</b>	<b>\$15.00</b>



**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:** Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

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- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

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# EXHIBIT “D”



JPMorgan Chase Bank, N.A.  
 P O Box 182051  
 Columbus, OH 43218 - 2051

May 01, 2020 through May 29, 2020

Account Number: [REDACTED]

**CUSTOMER SERVICE INFORMATION**

Web site: **Chase.com**  
 Service Center: **1-800-242-7338**  
 Deaf and Hard of Hearing: **1-800-242-7383**  
 Para Espanol: **1-888-622-4273**  
 International Calls: **1-713-262-1679**

00037051 DRE 021 142 15120 NNYNNNNNNNN T 1 00000000 64 0000  
 CHURCHILL BEVERAGE, LLC  
 300 NE 71ST ST  
 MIAMI FL 33138-5530



**We updated the Funds Availability Policy in the Deposit Account Agreement**

We increased the minimum amount of funds that we make available to you the next business day when you deposit a check. For more information, please see the Funds Availability Policy in the Deposit Account Agreement at [chase.com/disclosures](http://chase.com/disclosures).

Please call the number on your statement if you have questions. We accept operator relay calls.

**CHECKING SUMMARY**

Chase Total Business Checking

	INSTANCES	AMOUNT
<b>Beginning Balance</b>		<b>\$612.75</b>
Deposits and Additions	2	10,033.61
ATM & Debit Card Withdrawals	5	-288.13
Electronic Withdrawals	3	-10,129.10
Fees	3	-55.00
<b>Ending Balance</b>	<b>13</b>	<b>\$174.13</b>

**DEPOSITS AND ADDITIONS**

DATE	DESCRIPTION	AMOUNT
05/01	Paymentech Fin ADJ 6354561 CCD ID: 1020401225	\$13.59
05/22	Fedwire Credit Via: First American Bank/071922777 B/O: Churchill's Pub, LLC Miami, FL 33138- Ref: Chase Nyc/Ctr/Bnf=Churchill Beverage, LLC Miami FL 33138-5530 US/Ac-00 0000003567 Rib=O/B Fst Amer Bk Imad: 0522G1Qx220C000193 Tr: 7688209143F1	10,020.02
<b>Total Deposits and Additions</b>		<b>\$10,033.61</b>

**ATM & DEBIT CARD WITHDRAWALS**

DATE	DESCRIPTION	AMOUNT
05/04	Card Purchase 05/01 Ordyx 561-807-1502 FL Card 3776	\$20.00
05/04	Card Purchase 05/01 Silver Paint & Hardwar Miami Beach FL Card 3776	160.77
05/06	Recurring Card Purchase 05/06 Apple.Com/Bill 866-712-7753 CA Card 3776	12.99
05/14	Card Purchase With Pin 05/14 Silver Paint & Hardwar Miami Beach FL Card 3776	44.29
05/29	Card Purchase With Pin 05/29 Lhp Group Miami FL Card 3776	50.08
<b>Total ATM &amp; Debit Card Withdrawals</b>		<b>\$288.13</b>

**ATM & DEBIT CARD SUMMARY**



May 01, 2020 through May 29, 2020

Account Number: [REDACTED]

Franklin Griffith Dale Card 3776

Total ATM Withdrawals & Debits	\$0.00
Total Card Purchases	\$288.13
Total Card Deposits & Credits	\$0.00

ATM & Debit Card Totals

Total ATM Withdrawals & Debits	\$0.00
Total Card Purchases	\$288.13
Total Card Deposits & Credits	\$0.00

### ELECTRONIC WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
05/04	Manal Oliver & A Sale CCD ID: 9215986202	\$80.00
05/04	Paymentech Fee 6354561 CCD ID: 1020401225	29.08
05/26	05/26 Online Domestic Wire Transfer Via: Bankunited NA FL/267090594 A/C: Dave Daniels Miami FL 33132 US Ref: Mortgage Payment Imad: 0526B1Qgc02C003263 Trn: [REDACTED] Es	10,020.02
<b>Total Electronic Withdrawals</b>		<b>\$10,129.10</b>

### FEES

DATE	DESCRIPTION	AMOUNT
05/22	Domestic Incoming Wire Fee	\$15.00
05/26	Online Domestic Wire Fee	25.00
05/29	Monthly Service Fee	15.00
<b>Total Fees</b>		<b>\$55.00</b>

You were charged a monthly service fee of \$15.00 this period. You can avoid this fee in the future by maintaining a minimum daily balance of \$1,500.00. Your minimum daily balance was \$239.21.

### DAILY ENDING BALANCE

DATE	AMOUNT
05/01	\$626.34
05/04	336.49
05/06	323.50
05/14	279.21
05/22	10,284.23
05/26	239.21
05/29	174.13

### SERVICE CHARGE SUMMARY

TRANSACTIONS FOR SERVICE FEE CALCULATION	NUMBER OF TRANSACTIONS
Checks Paid / Debits	8
Deposits / Credits	0
Deposited Items	0
<b>Transaction Total</b>	<b>8</b>
SERVICE FEE CALCULATION	AMOUNT
Service Fee	\$15.00
Service Fee Credit	\$0.00
<b>Net Service Fee</b>	<b>\$15.00</b>
Excessive Transaction Fees (Above 100)	\$0.00
<b>Total Service Fees</b>	<b>\$15.00</b>

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**IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC FUNDS TRANSFERS:** Call us at 1-866-564-2262 or write us at the address on the front of this statement (non-personal accounts contact Customer Service) immediately if you think your statement or receipt is incorrect or if you need more information about a transfer listed on the statement or receipt.

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- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

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**JPMorgan Chase Bank, N.A. Member FDIC**

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# EXHIBIT “E”



JPMorgan Chase Bank, N.A.  
 P O Box 182051  
 Columbus, OH 43218-2051

May 30, 2020 through June 30, 2020

Account Number: [REDACTED]

**CUSTOMER SERVICE INFORMATION**

Web site: **Chase.com**  
 Service Center: **1-800-242-7338**  
 Deaf and Hard of Hearing: **1-800-242-7383**  
 Para Espanol: **1-888-622-4273**  
 International Calls: **1-713-262-1679**

00054962 DRE 021 142 18320 NNNNNNNNNN T 1 000000000 64 0000

CHURCHILL BEVERAGE, LLC  
 300 NE 71ST ST  
 MIAMI FL 33138-5530



**CHECKING SUMMARY** Chase Total Business Checking

	INSTANCES	AMOUNT
<b>Beginning Balance</b>		<b>\$174.13</b>
Deposits and Additions	4	158,600.01
ATM & Debit Card Withdrawals	3	-46.44
Electronic Withdrawals	5	-156,735.45
Fees	3	-55.00
<b>Ending Balance</b>	<b>15</b>	<b>\$1,937.25</b>

**DEPOSITS AND ADDITIONS**

DATE	DESCRIPTION	AMOUNT
06/04	Fedwire Credit Via: First American Bank/071922777 B/O: Churchill's Pub, LLC Miami, FL 33138- Ref: Chase Nyc/Ctr/Bnf=Churchill Beverage, LLC Miami FL 33138-5530 US/Ac-00 0000003567 Rfb=O/B Fst Amer Bk Imad: 0604G1Qx220C000092 Trn: 6224509156Ff	\$4,900.01
06/12	Orig CO Name:Sbad Treas 310 Orig ID:9101036151 Desc Date:061220 CO Entry Descr: Misc Paysec:CCD Trace#:101036151312994 Eed:200612 Ind ID:181559790673000 Ind Name:Mallory Kauderer Rmt*CT*1815597906 200 70265 F8103** *****\ Trn: 1641312994Tc	149,900.00
06/25	Online Transfer From Chk [REDACTED] Transaction#: [REDACTED]	2,800.00
06/26	Orig CO Name:Sbad Treas 310 Orig ID:[REDACTED] Desc Date:062620 CO Entry Descr: Misc Paysec:CCD Trace#[REDACTED] Eed:200626 Ind ID:Eidg:[REDACTED] Ind Name:Churchills Pub LLC Nte*Pmt*Eidg:3302138112\ Trn: 1787535849Tc	1,000.00
<b>Total Deposits and Additions</b>		<b>\$158,600.01</b>

**ATM & DEBIT CARD WITHDRAWALS**

DATE	DESCRIPTION	AMOUNT
06/02	Card Purchase 06/01 Ordyx 561-807-1502 FL Card 3776	\$20.00
06/05	Card Purchase With Pin 06/05 Usps PO 11585904 250 9 Surfside FL Card 3776	13.45
06/08	Recurring Card Purchase 06/05 Apple.Com/Bill 866-712-7753 CA Card 3776	12.99
<b>Total ATM &amp; Debit Card Withdrawals</b>		<b>\$46.44</b>

**ATM & DEBIT CARD SUMMARY**

Franklin Griffith Dale Card 3776

Total ATM Withdrawals & Debits

\$0.00

Total Card Purchases	\$46.44
Total Card Deposits & Credits	\$0.00
<b>ATM &amp; Debit Card Totals</b>	
Total ATM Withdrawals & Debits	\$0.00
Total Card Purchases	\$46.44
Total Card Deposits & Credits	\$0.00

**ELECTRONIC WITHDRAWALS**

DATE	DESCRIPTION	AMOUNT
06/02	Orig CO Name:Paymentech      Orig ID:1020401225 Desc Date:200602 CO Entry Descr:Fee      Sec:CCD      Trace#:021000025320149 Eed:200602      Ind ID:6354561 Ind Name:Churchill's Pub Trn: 1545320149Tc	\$11.44
06/04	06/04 Online Domestic Wire Transfer Via: Bankunited NA FL/267090594 A/C: Dave Daniels Miami FL 33132 US Ref: Mortgage Payment Imad: 0604B1Qgc01C008487 Trn: 6572620156Es	4,900.01
06/12	06/12 Online Transfer To Chk <span style="background-color: black; color: black;">XXXXXX</span> Transaction#: <span style="background-color: black; color: black;">XXXXXX</span>	149,000.00
06/18	06/18 Online Transfer To Chk <span style="background-color: black; color: black;">XXXXXX</span> Transaction#: <span style="background-color: black; color: black;">XXXXXX</span>	24.00
06/25	06/25 Online Transfer To Chk <span style="background-color: black; color: black;">XXXXXX</span> Transaction#: <span style="background-color: black; color: black;">XXXXXX</span>	2,800.00
<b>Total Electronic Withdrawals</b>		<b>\$156,735.45</b>

**FEES**

DATE	DESCRIPTION	AMOUNT
06/04	Online Domestic Wire Fee	\$25.00
06/04	Domestic Incoming Wire Fee	15.00
06/30	Monthly Service Fee	15.00
<b>Total Fees</b>		<b>\$55.00</b>

You were charged a monthly service fee of \$15.00 this period. You can avoid this fee in the future by maintaining a minimum daily balance of \$1,500.00. Your minimum daily balance was \$76.25.

**DAILY ENDING BALANCE**

DATE	AMOUNT
06/02	\$142.69
06/04	102.69
06/05	89.24
06/08	76.25
06/12	976.25
06/18	952.25
06/25	952.25
06/26	1,952.25
06/30	1,937.25

**SERVICE CHARGE SUMMARY**

TRANSACTIONS FOR SERVICE FEE CALCULATION	NUMBER OF TRANSACTIONS
Checks Paid / Debits	5
Deposits / Credits	0
Deposited Items	0
<b>Transaction Total</b>	<b>5</b>
SERVICE FEE CALCULATION	AMOUNT
Service Fee	\$15.00
Service Fee Credit	\$0.00
<b>Net Service Fee</b>	<b>\$15.00</b>

**SERVICE CHARGE SUMMARY** (continued)

SERVICE FEE CALCULATION	AMOUNT
Excessive Transaction Fees (Above 100)	\$0.00
<b>Total Service Fees</b>	<b>\$15.00</b>

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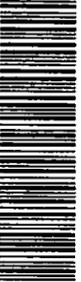
- Your name and account number
- The dollar amount of the suspected error
- A description of the error or transfer you are unsure of, why you believe it is an error, or why you need more information.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (or 20 business days for new accounts) to do this, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation.

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JPMorgan Chase Bank, N.A. Member FDIC





May 30, 2020 through June 30, 2020

Account Number: [REDACTED]

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# EXHIBIT “F”



Mallory

206. Now I know the expectation to 5501.

One text, 2 issues. Current rents in

1. Your partners are to do with the new lease I assume and that new lease is number 2z

I'm not understanding. I deposited money today to make initial payment, 8k. That's good. You want \$5419.74 for 206 regarding 5501.

I'm incurring 15k of real accounts payable due with transfer. I have to own the business in order to have my new partners come in. I'm agreeing on a lease that will make this transition smoothly. Am I wrong?

The new lease means you own the business FD!

For April 1 and that's not playing April fools on you.



# EXHIBIT “G”

Main: Reports

Find New Save Delete Automate Print Later Pay Outline Attach Life Select PO Enter Time Clear Splits Recalculate Reorder Reminder Order Checks

Chase CB 1760 674.75  
 06/12/2020  
 Little Haiti Development Partners, LP 149,000.00

One hundred forty-nine thousand and 00/100  
 Little Haiti Development Partner

MEMO SBA Funds  
 Expenses \$149,000.00 Items \$0.00  
 Loans Payable:Due to / (from) LHDP LP 149,000.00

Save & Close Save & New Revert

1:28 PM 7/9/2020

Home My Company Income Tracker Bill Tracker Calendar Snapshots My Shortcuts View Balances Run Favorite Reports Open Windows

COVID-19 Resources Turn on Payroll Accept Credit Cards Order Checks & Supplies Upload to QuickBooks 2020 Advice 13books

Previous Next Save Print Payments History Attach

Deposit To Chase CB 1760 Date 06/08/2020 Memo Deposit

Click Payments to select customer payments that you have received List any other amounts to deposit below.

ACCOUNT	AMOUNT
SBAD Treas 310	149,900.00
Loans Payable:SBAD Treas 310	

To get cash back from this deposit, enter the amount below. Indicate the account where you want this money to go, such as your Petty Cash account

Cash back goes to Cash back memo Cash back amount

Deposit Subtotal 149,900.00

Deposit Total 149,900.00

Save & Close Save & New Revert

My Shortcuts

- Home
- My Company
- Income Tracker
- Bill Tracker
- Calendar
- Snapshots
- My Shortcuts
- View Balances
- Run Favorite Reports
- Open Windows

COVID-19 Resources

- Run on Payroll
- Accept Credit Cards
- Order Supplies & Supplies
- Upgrade to QuickBooks 2020
- Activate Features

1:27 PM 7/9/2020

Churchill's Pub - O...

# EXHIBIT “H”

2



Francisco Herretes

Hi FD, hope you are good. Jim asked me to reach out and see if we could work to fix things, without Mallory or Donita involved. I also spoke to Mallory and explained it's how it had to be, and he understands.

It's fair to say that this office has not been an acceptable communicator or facilitator for you or any of our Tenants, and I know we failed at walking you through complex lease issues during crazy times. We still have a way to go to get through this, but now with the experience of Midgard, hopefully we should be able to work things out - at least hear what you have in mind and start a talk...

# EXHIBIT “I”

**Franklin Dale**

Email: [fd@districtliveagency.com](mailto:fd@districtliveagency.com)

Phone: 305.733.5061

**District Live Agency LLC**

**175 NE 55 St.**

**Miami, FL 33137**

### Via Email

Mallory Kauderer, Manager  
Little Haiti Development Partners LP  
300 NE 71 St.  
Miami, FL 33138

Donita Leavitt, Manager  
Churchill's Pub LLC  
300 NE 71 St.  
Miami, FL 33138

Mallory and Donita:

The purpose of this letter is to express concern over your recent actions that have called the underlying business agreements between your companies and mine, both as your hospitality advisor and as your tenant, into question. Our company, District Live Agency LLC ("DLA"), its partners, affiliates, and subsidiaries (including Churchill Beverage LLC, The Beverage Group LLC, Atlas Catering Group LLC, and others) hereby demand an immediate plan and expeditious action to remedy all grievances according to previously agreed upon criteria so that we can resume normal business relations. Most important for the fair continuation of our business arrangements is the issue of the SBAD Treas 310 funds (\$149,000 USD) that were inappropriately withdrawn from the Churchill Beverage LLC business account and misappropriated to the unrelated Little Haiti Development Partners LP ("LHDP") account, in violation of SBA rules regulating such CARES ACT funds. Your pattern of misrepresentations as it relates to Churchill's Pub LLC's involvement with Churchill's Pub, in particular the misappropriation of the Emergency Funds (SBAD Treas 310), which you represented to the federal government as being designated to Churchill's business, for your personal enrichment, under false pretense.

Please be advised that we are prepared to defend our right to the full, unbridled management of these funds, consistent with the SBA rules regulating these Emergency Funds in front of the courts and the community. Additionally, your duties as landlord require 1) the long-overdue rectification of open violations on properties we lease; 2) a commitment to an

improvement schedule on the outstanding issues (of which you are well-aware) for properties we lease; and 3) a coordination of lease terms across all rentals in consideration of our time and money invested in properties we lease. To be clear, attention to and resolution of these issues are in all of our shared interests and it is in that spirit that we are providing this opportunity for you to address these matters before any further escalation.

### **Issue 1: SBA Loan Appropriation (SBAD Treas 310)**

Following our anonymous discussions with experts in the matter, including but not limited to the Small Business Administration, it is clear that you procured SBAD Emergency Relief funds for Little Haiti Development Partners LP under false and illegal pretenses. On June 12, 2020, SBAD Treas 310 Funds (\$149,900 USD) were deposited into Churchill Beverage LLC. Later that same day, those funds were wired from Churchill Beverage LLC, to LHDP, and recorded to Churchill's Pub LLC accounting records as "loans payable." Furthermore, Churchill's Pub LLC misrepresented Churchill Beverage LLC's revenue and cost of goods on the Emergency Injury Disaster Loan application. Thus, after initially being credited with emergency funds, they were then surreptitiously wired, by Donita, in violation of the law, to a business wholly owned by Mallory (Little Haiti Development Partners LP). It is clear that the two of you acted in concert to effectuate this unlawful scheme.

As you know, LHDP has never had any business relationship with Churchill's Pub. Neither of you have any roles or responsibilities in the operation of the business, nor did LHDP have any formal or informal business relationship with Churchill's Pub LLC or Churchill Beverage LLC. Given the current circumstances created by Covid-19, our business is relying on these government support funds. Furthermore, your decision to obtain emergency relief for Churchill's Pub LLC using Churchill Beverage LLC's financials prohibits Churchill Beverage LLC from applying for subsequent pandemic/recession-related funding. Your decision to secretly wire \$149,000 out of Churchill Beverage LLC's rightful custodianship to yourself, without action to remedy, was fraudulent as a matter of law. In any event, pursuant to this correspondence, we are offering you the opportunity to return these funds, or in the alternative, agree to a formal Use of Funds agreement. These are the only two alternatives the circumstances allow for without further escalation.

## **Issue 2: 40 year Recertification Negligence, Material Omissions, Delay, and Lost Revenue**

When the lease of Churchill's Pub was assumed by District Live Agency in April 2019, it was understood that the teardown of office (Building 1) was critical to the business' future prospects, creating a substantial new line of revenue. The mutually stated objective was to demolish Building 1, which was being used as offices and storage, in order to create a large backdoor patio as critical to the business' future. DLA as the tenant had offered to both lead and finance this improvement, and so it assumed all architectural costs for the demolition plans and restroom renovations immediately after commencement of the lease for the property at 5501 NE 2nd Ave. However, the Landlord did not disclaim the City's demands for 40 year building recertifications for folio 01-3218-027-0010, Building 1, Building 2, Building 3. The failure to communicate this material fact delayed the demolition and pushed construction into a window that was unacceptable for the business. Instead of activating the additional square footage, this omission resulted in significant loss of revenue from the months of September 2019 through March 2020.

Additionally, you omitted material information regarding the condition of the buildings, primarily that Building 1 - which was being used as offices and product storage - had been deemed an "Unsafe Structure" by The City of Miami. Rent was paid on a portion of the property deemed unsafe, and as tenants we were allowed to occupy this space for months without your disclaimer. This action also delayed the permit with the building department. Despite our offer to address the violation immediately with our own funds (Landlord's obligation) to put ourselves in a condition to capture the additional revenue, you advised that we should delay construction and take advantage of capital improvements from your group and its purported Opportunity Zone dollars. This forced delay, caused by your omission of the Building Code violations with the City (which was the initial cause in construction delays) has resulted in budgeted pro forma revenue loss of approximately \$100,000 over the time period of September 2019-March 2020.

### **Issue 3: Failure to Remedy**

Since April of 2019, your group has yet to remedy the violations including:

- Demolish Unsafe Structure (Building 1 office),
- Kitchen Roof Leak
- Restroom Roof Leak
- Kitchen Gas Leak

Although we provided all requested supporting documentation regarding improvements, contacted multiple vendors for quotes, and invested an additional \$30,000 of operating capital into the business as a backstop to your promises, 15 months have passed without resolution. This has handcuffed the business without use of proper offices, storage, and kitchen - materially damaging the business' revenue. This is particularly true during the ongoing pandemic, which would require an operational kitchen in order to open its doors as a restaurant.

In summary, your misrepresentations, building violations, eminent repair funding, and Covid Emergency Funds have caused material damages and your illegal actions are denying the business critical funds during a pandemic. This is unacceptable to our group and we expect it to be remedied without further delay. With total damages nearing \$250,000, our objectives are simple - to negotiate long-term lease agreements in good faith, to expeditiously remedy the building violations, and for Small Business Administration funds to be placed in our custody, consistent with the representations you made under penalty of perjury in the application for said funds.

**We expect remedy according to the following schedule:**

- 1) August 21, 2020: Return of ALL SBAD Treas 310 to **Churchill Beverage LLC** (\$149,000 USD) with personal guarantee from Franklin Dale which will be used according to program guidelines, as follows:
  - Any additional loans that have been procured or in the process of being procured on behalf of the business and/or stating its operating financials must be placed in Churchill's custodianship
  
- 2) September 1, 2020: Initiate Demolition of Condemned Building 1
  - SBA Treas 310 cannot be utilized for this obligation (under program regulations)
  
- 3) September 1, 2020: Commitment to fix kitchen roof leak, restroom leaks, and kitchen gas leak.
  
- 4) September 15, 2020: Letter of Intent and Commitment of Improvements to the following properties.
  - 5501 NE 2 Ave
  - 5524 NE 2 Ave
  - 5528 NE 2 Ave
  - 175 NE 55 St
  
- 5) September 15, 2020: New, long-term, synchronized leases across properties that reflect past conversations.
  - 5501 NE 2 Ave
  - 5524 NE 2 Ave
  - 5528 NE 2 Ave
  - 175 NE 55 St
  - 186 NE 56 Ave

We look forward to reengaging in a cordial manner and reestablishing long-held commitments and shared goals.

Franklin Dale  
Managing Partner, District Live Agency