



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL
3318 FOREST HILL BLVD., C-306.
WEST PALM BEACH, FL 33406
(561) 434-7335 FAX: (561) 434-8652
www.palmbeachschools.org
Hotline: (855) 561-1010

SCHOOL BOARD
FRANK A. BARBIERI, JR, ESQ, CHAIRMAN
CHUCK SHAW, VICE CHAIRMAN
MARCIA ANDREWS
KAREN M. BRILL
BARBARA McQUINN
DEBRA L. ROBINSON, M.D.
ERICA WHITFIELD

DONALD E. FENNOY II, Ed.D., SUPERINTENDENT

TO: Honorable Chair and Members of the School Board
Dr. Donald E. Fennoy, Superintendent
Chair and Members of the Audit Committee

FROM: Lung Chiu, Inspector General

DATE: September 20, 2019

SUBJECT: OIG Final Investigative Report- *Palm Beach Maritime Academy*
Report Case # 19-846

Attached please find a copy of the Palm Beach County School District Office of Inspector General (OIG) Final Report of Investigation of Palm Beach Maritime Academy. On Thursday September 27, 2018, the Office of Inspector General (OIG) received an anonymous complaint. The complaint alleged that Palm Beach Maritime Academy (PBMA) Board Member Richard Scott Shelley inappropriately awarded Daniel Rishavy, of Link-Up Inc., a procurement contract for Financial Services.

The OIG investigation concluded that the allegation is **unsubstantiated**.

In accordance with *School Board Policy 1.092 (8)(b)(iv)*, on July 30, 2019, the draft of this investigation was provided to PBMA Board Chair Andy Binns, PBMA Board Member Richard Scott Shelley, PBMA Board Member Judy Lehman, and PBMA Contractor Daniel Rishavy for their responses. Written responses were received from Ms. Lehman and Mr. Rishavy. These responses are included in the Final Report. In response to our conclusion, Ms. Lehman wrote, "I believe this was an accurate account of my information." Mr. Rishavy responded via email and requested changes to his testimony. Mr. Rishavy's testimony was amended accordingly. Mr. Binns and Mr. Shelley did not respond to the draft report. The OIG would like to thank Mr. Rishavy and the staff at Palm Beach Maritime Academy for their cooperation courtesies extended to the OIG during this investigation.

The report is finalized and will be posted on the Inspector General's website; https://www.palmbeachschools.org/about_us/reports_and_publications/inspector_general_reports

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

INTRODUCTION & SYNOPSIS

On Thursday September 27, 2018, the Office of Inspector General (OIG) received an anonymous complaint, alleging that Palm Beach Maritime Academy (PBMA) Board Member Richard Scott Shelley inappropriately awarded Daniel Rishavy, of Link-Up Inc., a procurement contract for Financial Services.

The OIG investigation concluded that the allegation was unsubstantiated. The investigative findings to the allegation will be discussed in detail later in this report.

OIG JURISDICTIONAL AUTHORITY

School Board Policy 1.092 provides for the Inspector General to receive and consider complaints, and conduct, supervise, or coordinate such inquiries, investigations, or reviews, as the Inspector General deems appropriate.

BACKGROUND: INDIVIDUALS & ENTITIES COVERED IN THIS REPORT

Palm Beach Maritime Academy (PBMA)

John Grant founded the Palm Beach Maritime Museum, Inc., in 1974. The Florida not-for-profit organization was established to operate a public charter school, Palm Beach Maritime Academy (PBMA). The Charter School contract with the Palm Beach County School Board commenced on July 1, 2014, ending on June 30, 2019.¹

PBMA operates two charter schools: An elementary school located at 1518 West Lantana Road, Lantana, FL 33462, with a total enrollment of 580, with an 11:1 Student-Teacher Ratio. The school serves elementary school students from grades K-5.

PBMA's second school is a middle/high school located at 600 South East Coast Avenue, Lantana, FL 33462. Total enrollment is 582, with an 11:1 Student-Teacher Ratio, serving students for grades 6-12.²

Andrew Binns, Board Chair, Palm Beach Maritime Academy

Mr. Binns retired from the Palm Beach County School District after 26-years of service. Mr. Binns served as a school psychologist from 1980-83, he returned to the Palm Beach County School District in 1988. From 1988 to 2007, he served as the District's Manager for FTE Records. From 2007 through 2011,³ he was the Director of FTE Student Reporting. Mr. Binns has been a Palm Beach Maritime Academy Board Member since 2015.

¹ Florida Charter School Contract between the School Board of Palm Beach County and the Palm Beach Maritime Academy

² www.palmbeachschools.org

³ Information obtained from District PeopleSoft records

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

Steve Bolin, Board Member, Palm Beach Maritime Academy

Mr. Bolin was not available for an interview.

Judy Lehman, Former Board Member, Palm Beach Maritime Academy

Ms. Lehman has been employed by the Palm Beach County School District for 31-years and is assigned at Boynton Beach Community High School as an English Teacher. Ms. Lehman has been a Board Member at Palm Beach Maritime Academy since March 2015.⁴

Daniel Rishavy, Contractor, Palm Beach Maritime Academy, Owner of Link-Up Incorporated.

Owner of Link-Up Incorporated, located at 11093 Harbour Springs Circle, Boca-Raton, FL 33428⁵. Chief Financial Officer at PBMA John Grant Foundation from 2012-2014. Currently he is a contractor at the PBMA schools who provides back-office financial management services.

Richard Scott Shelley, Palm Beach Maritime Academy Board Member, Owner of RSM-Financial Risk Management LLC

Owner of RSM Financial Risk Management located at 1302 Southwest Evergreen Lane, Palm City FL 34990⁶. Palm Beach Maritime Academy Board Member since 2014.

Maria Scarmato Faya, former Consultant, Palm Beach Maritime Academy

Consultant at Palm Beach Maritime Academy from 2012-2019.

Nancy Swenson, Former Principal, Palm Beach Maritime Academy

Employed by Palm Beach Maritime Academy (PBMA) for 17-years, resigned from PBMA June 12, 2018.

Marie Turchiaro, Executive Director, Palm Beach Maritime Academy

Employed by Palm Beach Maritime Academy (PBMA) for 18-years, responsible for the oversight of the two PBMA schools.

Cesare Reno Boffice, Principal, Palm Beach Maritime Academy

Principal employed at Palm Beach Maritime Academy since 2013.

Donna Bourbeau, Administrative Assistant, Palm Beach Maritime Academy

Administrative Assistant at Palm Beach Maritime Academy since 2011.

Shari Cooper, Parent Liaison, Palm Beach Maritime Academy

Parent Liaison at Palm Beach Maritime Academy since 2012.

⁴ Information obtained from District PeopleSoft records

⁵ www.sunbiz.org

⁶ www.sunbiz.org

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

Keirstin Potts, Fifth Grade Teacher, Palm Beach Maritime Academy

Fifth Grade Teacher at Palm Beach Maritime Academy since 2014.

Chris Skierski, Assistant Principal, Palm Beach Maritime Academy

Assistant Principal at Palm Beach Maritime Academy since 2012.

Deborah Ward, ESOL Coordinator, Palm Beach Maritime Academy

ESOL Coordinator at Palm Beach Maritime Academy since 2004.

RELEVANT GOVERNING AUTHORITIES

- Florida Statutes 1002.33(7), Charter Schools
- Florida Statutes 112.313(2)(3)(7)(12), Standards of Conduct for Public Officers, Employees of Agencies, and Local Government Attorneys
- School District Charter School Contract Between the School Board of Palm Beach County and Palm Beach Maritime Academy
- Florida Secretary of State Documents on Sunbiz.Org – Link-Up Inc. & RSM Financial Risk Management

DOCUMENTS REVIEWED

- December 20, 2016, PBMA audio Board Meeting discussions.
- December 20, 2016, PBMA Board Meeting Agenda Minutes.
- PBMA Charter Agreement Contract with the Palm Beach County School District.
- PBMA Contract with Contractor Daniel Rishavy.
- Municipal Bond Agreement between PBMA and Hapoolim Securities USA, Inc.
- PBMA motion filed in the United States District Courts, Southern District of Florida.
- The disposition of the United States District Court for the Southern District of New York section -10-(b) disposition record, PBMA vs Hapoolim Securities USA Inc.

CASE INITIATION & INVESTIGATIVE METHODOLOGY

The investigation was initiated based on an anonymous complaint alleging that Palm Beach Maritime Academy inappropriately awarded Daniel Rishavy a procurement contract.

This investigation was conducted in compliance with the *Quality Standards for Investigations, Principles, and Standards for Offices of Inspector General*, promulgated by the Association of Inspectors General.

During the course of the investigation, the OIG interviewed Palm Beach Maritime Academy (PBMA) Board Members: Andy Binns, Board Chair; Board Member Richard Scott Shelley, and Board Member Judy Lehman. In addition, Maria Turchiaro, Executive Director of the PBMA Schools, was interviewed along with other school staff members that were vital to this investigation.

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

INVESTIGATIVE REVIEW⁷

1. Palm Beach Maritime Academy (PBMA) Board Members inappropriately awarded Daniel Rishavy a procurement contract. Allegation Unsubstantiated.

The OIG investigation concluded that the allegation that Palm Beach Maritime Academy Board Members inappropriately awarded Daniel Rishavy, of Link-Up Inc., a procurement contract for Financial Services was unsubstantiated.

The following is a recap of the interview testimony provided by the witnesses.

Marie A. Turchiaro: PBMA has four governing Board Members: Andy Binns (Chair), Scott Shelley, Judy Lehman, and David Jackson. Ms. Turchiaro was not sure if the PBMA BYLAWS permit a Board Member's company to provide services to PBMA. However, for the past 18-years, no Board Member has ever requested to provide services to PBMA from his/her company. Contracts for services from outside vendors are solicited based on a bidding process. In some cases, three verbal bids from the bidders are required in order to facilitate a contract for services.

Ms. Turchiaro stated she was present at the December 20, 2016, Board Meeting. Mr. Shelley did not award his company (RSM-Financial Risk Management Company) or Mr. Rishavy (who owns Link Up Inc.), a procurement contract. The OIG provided Ms. Turchiaro a copy of the Board Meeting Minutes for December 20, 2016. Ms. Turchiaro explained that the remarks made by Mr. Shelley on the last paragraph on page-8, of the December 20, 2016, Board-Meeting Minutes were referring to an active lawsuit. The Board decided that PBMA would pursue litigation about a financial municipal bond issue. Mr. Rishavy was selected by the Board to work with PBMA attorneys to handle logistical matters regarding the lawsuit. The Board also voted and decided that if a financial settlement was awarded to PBMA, Mr. Rishavy would receive 10% of those funds.

Ms. Turchiaro stated she listened to the December 20, 2016, audio of the Board Meeting and observed what was published in the Meeting Minutes agenda was not correctly transcribed. Mr. Shelly's remarks were not intended to suggest that his company or Mr. Rishavy's company would provide services to PBMA.

PBMA School Staff: The OIG interviewed all the following instructional school staff who attended the December 20, 2016, Board meeting:

- Cesare Reno Boffice, Principal
- Chris Skierski, Assistant Principal
- Deborah Ward, ESOL Teacher
- Keirstin Potts, 5th Grade Teacher
- Donna Bourbeau, Administrative Assistant
- Shari Cooper, Parent Liaison

⁷ The OIG findings were determined using the standards that appear on the final page of this report.

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

All staff members stated that they did not recall Mr. Shelley offering a procurement contract to Mr. Rishavy's company.

Nancy Swenson: The OIG provided Ms. Swenson a copy of the December 20, 2016, Board Meeting Minutes. Ms. Swenson stated she was present at the December 20, 2016, Board Meeting. Ms. Swenson believes that the contingency fee offered to Mr. Rishavy by Mr. Shelley for a pending lawsuit filed by PBMA is a conflict of interest. Regarding the lawsuit, Mr. Rishavy was responsible for logistical negotiations, and if PBMA recovered any funds from the lawsuit, Mr. Rishavy would receive 10% of those funds. Ms. Swenson understood the lawsuit to mean that PBMA secured a tax-exempt municipal bond from Hapoalim Securities USA Inc., to pay for real-estate properties for the two PBMA schools. PBMA felt fraudulently induced and sued Hapoalim Securities.

Maria Scarmato Faya: Ms. Faya stated that since her employment at PBMA, no Board Member has ever provided services to PBMA using their company. She was present at the December 20, 2016, Board Meeting. She transcribed the Board Meeting Minutes. The OIG provided Ms. Faya a copy of the December 20, 2016, Board Meeting Minutes. She said from her understanding, Board Members agreed to offer Mr. Rishavy a contingency fee to assist attorney(s) with an active lawsuit.

Steve Bolin: Mr. Bolin was not available to interview.

Judy Lehman: Ms. Lehman stated she resigned from the PBMA Board in March 2019, and that she was present at the December 20, 2016, Board Meeting. The OIG provided Ms. Lehman a copy of the December 20, 2016, Board Meeting Minutes. She recalls the meeting and that the Board agreed to offer a 10% contingency fee to Mr. Rishavy if PBMA recovered damages from a pending lawsuit. Ms. Lehman stated she does not recall Mr. Shelley or Mr. Rishavy insisting on using their companies to provide services to PBMA. Ms. Lehman said from her understanding when a procurement contract is awarded to provide services, the Board reviews three bids, and the least expensive bid is likely to be chosen to provide the service(s).

Chair Andy Binns: Chair Binns stated services provided to the PBMA Schools are solicited by way of advertising a Request-for-Proposal (RFP) to outside vendors. The outside vendors respond to the RFP by submitting a proposal for the requested services. Mr. Shelley presents the proposals to the Board, and the Board makes the final decision. The least expensive proposal is usually selected to provide the service. Mr. Binns said that no individual Board Member could authorize or make a final decision to select a vendor to provide service(s) for PBMA. Mr. Binns stated the Board did not award a procurement contract to Mr. Shelley. However, an RFP for back-office financial management services was advertised, and the Board received several outside proposal responses. Mr. Rishavy's proposal was the least expensive, so the Board agreed to contract with Mr. Rishavy's company.

The OIG showed Mr. Binns a copy of December 20, 2016, Board Meeting Minutes. Mr. Binns said the remarks made by Mr. Shelley were referring to a lawsuit between PBMA and Hapoalim Securities USA Inc. The Board voted to award Mr. Rishavy a contingency fee to work directly with the PBMA attorney(s), because he (Mr. Rishavy) knew about the bond agreement made with Hapoalim Securities USA Inc., to purchase real estate properties for the PBMA schools. If PBMA

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

recovered funds from the lawsuit, Mr. Rishavy would receive 10% of the funds. Mr. Binns said the contingency fee offered by the board was not a conflict of interest because Mr. Rishavy is not a Board Member. Mr. Rishavy was asked to obtain records from Mr. Grant's management company for the PBMA attorney(s), which requires numerous work hours.

Daniel Rishavy: Mr. Rishavy stated he was present at the December 20, 2016, Board Meeting. Mr. Rishavy stated an outside consulting agency was retained to provide financial management services, including payroll, accounts payable, and State reporting for PBMA. The consulting agency prepared and advertised an RFP for services. The consulting agency received proposal for the RFP directly and report to the PBMA Board Members. The RFP scoring matrix prepared and used by the consulting agency indicated that there were three proposals submitted and that it recommended to the Board to continue receiving services from his company, because his company was the least expensive. The Board concurred with the consulting agency's recommendation and agreed to the contract.

Mr. Rishavy stated in regards to the lawsuit between PBMA and Hapoalim Securities USA Inc.; he was asked by the PBMA Board to provide investigative support into their concerns about the issuance of a municipal bond. The bond was negotiated between PBMA founder John Grant and Hapoalim Securities USA Inc. As stated in Mr. Rishavy's response to the draft report "*Mr. Rishavy's investigative findings concluded that the variance was so severe that PBMA could not meet its monthly financial obligations and that there were substantial differences between the written materials and oral presentation provided by Hapooalim Securities USA, Inc. After internal investigations assisted by Mr. Rishavy, the Board retained legal counsel who concluded there was serious misconduct on behalf of Hapooalim Securities USA, Inc., and that the agreement was issued under false pretenses. The Board further retained legal counsel to pursue litigation against Hapoalim Securities USA, Inc., (Exhibit 8).*" The Board appointed him (Mr. Rishavy) to be the official representative for the pending lawsuit moving forward and to assist the PBMA attorneys as requested. On May 7, 2018, PBMA filed a lawsuit against Hapoalim Securities USA Inc., and the lawsuit continues today. Mr. Rishavy stated he has not received any payments from the PBMA for the lawsuit.

Richard Scott Shelley: Mr. Shelley stated he was present at the December 20, 2016, Board Meeting, and the Board did not vote to award his company RSM-Financial Risk Management Company, a procurement contract to provide financial services for PBMA. Mr. Shelley stated that his company has never provided services to PBMA.

Mr. Shelley stated, before selecting a vendor to provide financial services to PBMA, the Board evaluates at least three vendor bids. After the Board evaluates the proposals, the Board makes the final decision to select which vendor. Mr. Rishavy's contract cost PBMA \$100,000 to provide financial management services. Other vendor proposals were submitted to provide the same services, and the Board agreed to continue with Mr. Rishavy's company because his bid was \$6,000 less than the other bids submitted.

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

Mr. Shelley stated in regards to the pending lawsuit between PBMA and Hapoalim Securities USA Inc., the Board did offer a 10% contingency fee to Mr. Rishavy for assisting the PBMA attorneys by gathering information about Hapoalim Securities USA Inc., and other defendants if needed. Mr. Rishavy has not received any payment for the pending lawsuit.

The OIG listened to the audio discussions from the December 20, 2016 Board Meeting in its entirety, and focused on agenda item #5: RFP Committee Update (page-8 of the meeting minutes). The OIG transcribed the audio meeting minutes from page-8 into two parts (**Table 1 & Table 2**). The audio discussion remarks are from the PBMA Board Members Mr. Binns, Mr. Shelley, Ms. Lehman, Mr. Bolin, who attended the meeting telephonically, and Non-Board Member Executive Director Marie Turchiaro. The OIG transcribed the first part of the audio meeting at the 1:04:52 to 1:10:25. The second part transcribed at 1:10:41 to 1:15:31 (**Exhibit 1**).

(Table 1) Part-I, PBMA Board Meeting Minute Discussions, Page-8, Item#5: RFP Committee Update

Statements made by:	Comments/Remarks
Part-1	
Board Member Richard Scott Shelley	Mr. Scott said he put a proposal on the table
Board Chairman Andy Binns	So we should go over it
Board Member Richard Scott Shelley	There is no reviewing, were accepting his proposal as a contractor
Board Member Judy Lehman	Can I make a motion
Contractor, Daniel Rishavy	Can I say one thing, the results of the Board, and the RFP committee, I was the most responsive and lowest price
Board Chairman Andy Binns	It was
Board Member Richard Scott Shelley	Everything cannot be measured in dollars
Executive Director Marie Turchiaro	It was the lowest by \$6,000
Board Chairman Andy Binns	And it included more work
Contractor Daniel Rishavy	More work less money
Board Member Richard Scott Shelley	So I like to make a motion to accept the Link Up contract proposal
Board Member Judy Lehman	I second it
Board Chairman Andy Binns	You have to do it. I cannot do it, all in favor
Board Member Judy Lehman	I
Board Chairman Andy Binns	I
Board Member Richard Scott Shelley	I
Board Member Steve Bolin	I
End Part-I	1-hour 10-minutes 25-seconds

The first part of the audio does not mention the name of the consulting agency or the names of other vendors that submitted a proposal to provide financial management services for PBMA. However, Board Members inferred that they previously reviewed other outside bids and that Mr. Rishavy's bid was the least expensive by \$6,000.

Mr. Rishavy's contract with PBMA becomes effective on January 1, 2016, through December 31, 2020, and for Link Up Inc. to, deliver back-office financial management services to PBMA or other services requested by the PBMA Governing Board. Note: the correct contract

**SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy**

commencement date is January 1, 2017, through December 31, 2020, a contract period of four years. Mr. Rishavy signed the contract on January 24, 2017, and Mr. Binns witnessed the signature (Exhibit 2).

(Table 2) Part-II, PBMA Board Meeting Minute Discussions, Page-8, Item #5: RFP

Statements made by:	Comments/Remarks
Board Member Richard Scott Shelley:	I have spoken to Marie, and I have spoken to Dan, my feelings would be to provide him a contingency based on what is recovered if anything ever gets recovered
Board Chairman Andy Binns:	Um-hum
Board Member Richard Scott Shelley:	And the group consensus is 10%
Board Chairman Andy Binns:	That's fine with me, makes sense to me
Board Member Judy Lehman:	I agree; I'm willing to do that
Board Member Richard Scott Shelley:	So I'd like to make a motion
Board Chairman Andy Binns:	I hope you win a hundred million dollars
Board Member Richard Scott Shelley:	I hope so too, so I'd like to make a motion to put that provision in a separate contract to allow Dan to go to work for us on a contingency basis
Board Chairman Andy Binns:	Sign him, I agree with that
Board Member Judy Lehman:	yeah
Board Chairman Andy Binns:	I second that, is it all-encompassing on anything
Board Member Scott Shelley:	No, just on the legal case
Board Member Judy Lehman:	ok
Board Member Steve Bolin:	Which case
Andy Binns and Richard Scott Shelley said simultaneously:	The one about all the financial stuff
Board Chairman Andy Binns:	The funny business
Board Member Judy Lehman:	I do second that, I don't mind
Board Member Steve Bolin:	I have a couple of questions
Board Members Judy Lehman and Andy Binns said simultaneously:	Steve go-ahead
Board Member Steve Bolin:	To be clear about this, before we vote, is there some statement-of-work that you are going to put together to delineate what this thing is going to do or is this just an open-ended exploratory thing that you are going to pick and choose what you do and don't look at. I am not sure exactly how this is going to work, but I guess the other side of this is, whatever this is going to cost or is there a scope-of-work that needs to be accomplished
Board Member Richard Scott Shelley:	There is no cost we already have a contingency agreement with the attorneys that are pursuing this on our behalf; and the problem is that someone in our organization has to work hand-in-hand with them and there is only one person (Dan) who has all that information and documents. So we are not paying for any of those we are allowing them to be compensated should we recover an award at some point
Board Member Judy Lehman:	And Dan would get 10% of whatever we get rewarded
Contractor Daniel Rishavy:	What was proposed, net of all legal fees
Board Chairman Andy Binns:	So the legal fees come out; first, whatever we get, he gets 10% of that
Board Member Judy Lehman:	Even better, no offense

**SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
*Procurement/Vendor at Palm Beach Maritime Academy***

Board Chairman Andy Binns	Could be nothing
Board Member Steve Bolin:	And I guess this percentage is a contingent compensation for Dan participation with those guys
Board Members Judy Lehman, Richard Scott Shelley, and Andy Binns said simultaneously:	Yes, correct
Board Member Steve Bolin:	Ok, I
Board Member Richard Scott Shelley:	I
Board Chairman Andy Binns:	I
Board Member Judy Lehman:	I
End Part-II	1-hour 15-minutes 31-seconds

The second part of the audio corroborates that on December 20, 2016, the Board voted and agreed to offer Mr. Rishavy a 10% contingency fee for working with the PBMA attorney(s) in regards to a lawsuit. The 10% contingency fee offered to Mr. Rishavy by the Board was for an additional work assignment outside of the work that his company provides for PBMA.

The audio in its entirety does not indicate that a contract or contingency payments were offered to Mr. Shelley’s company, and that he would share a portion of the contingency payments with Mr. Rishavy as alleged by the complainant.

ADDITIONAL DOCUMENTARY REVIEW

A review of documents concerning the pending litigation between PMBA and Hapoalim Securities Inc., revealed the following information:

PBMA founder and former Board Member John Grant contractually entered into a financial, municipal bond agreement with Hapoalim Securities USA Inc., to purchase real estate properties for the PBMA schools for approximately \$24 Million (**Exhibit 3**). In 2014, Mr. Grant was dismissed from the Governing Board, and a new PBMA Governing Board was selected. The new Governing Board Members instructed Mr. Rishavy to form an investigative committee and conduct an internal investigation into the municipal bond negotiations made between Mr. Grant and Hapoalim Securities USA Inc. Mr. Rishavy’s findings showed multiple improprieties. The Board accepted Mr. Rishavy’s findings and believed that PBMA had justifications for suing Hapoalim Securities USA Inc., for damages (**Exhibit 4**). Mr. Rishavy was selected by the Board to assist the PBMA attorney(s) because he previously worked for Mr. Grant's management company, and knew about the municipal bond negotiations with Hapoalim Securities USA Inc., to purchase real estate properties. The Board voted unanimously to pay Mr. Rishavy a contingency fee outside of his contract to work with their attorney(s). If funds were recovered from the lawsuit, Mr. Rishavy would receive 10% of those funds after expenses (**Exhibit 1**). On May 7, 2018, PBMA filed a lawsuit against Hapoalim Securities USA Inc., in the jurisdiction of the United States District Courts, Southern District of Florida and alleged that Hapoalim Securities USA Inc., misrepresented the terms of the municipal bond agreement (**Exhibit 5**). On April 10, 2019, the United States District Court for the Southern District of New York dismissed section-10(b)

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

(Claims for Lack of Standing) of the PBMA lawsuit (**Exhibit 6**). The lawsuit is currently active, and no funds have been awarded to PBMA.

CONCLUSION

Based on the testimony of the PBMA Board Members and listening to the tapes for the December 20, 2016, Board Meeting, the OIG determined that the allegation that Palm Beach Maritime Academy (PBMA) Board Member Richard Scott Shelley inappropriately awarded Daniel Rishavy, of Link-Up Inc., a procurement contract for Financial Services was **unsubstantiated**. The testimony from Palm Beach Maritime Academy (PBMA) Chair Andy Binns, Board Member Richard Scott Shelley, Board Member Judy Lehman, and Executive Director of the PBMA Schools Maria Turchiaro, revealed that Mr. Shelly did not inappropriately award Mr. Rishavy a contract during the December 20, 2016, PBMA Board Meeting. The testimony and the Board Minutes show that the PBMA Board voted unanimously to pay Mr. Rishavy a contingency fee to work with PBMA attorneys in a lawsuit. Mr. Rishavy is to receive 10% of the funds he helped recover from the lawsuit after expenses. Mr. Scott Shelly did not inappropriately award Mr. Rishavy a contract during the meeting as alleged.

AFFECTED PARTY NOTICE

In accordance with *School Board Policy 1.092 (8)(b)(iv)*, on July 30, 2019, PBMA Board Chair Andy Binns, PBMA Board Member Richard Scott Shelley, PBMA Board Member Judy Lehman, and PBMA Contractor Daniel Rishavy were notified of the investigative conclusions and provided with an opportunity to submit a written response to these conclusions. Mr. Binns, and Mr. Shelley did not respond to the investigative conclusions. On August 2, 2019, Judy Lehman responded via email. Her response is attached to this report as (**Exhibit 7**). In her response, Ms. Lehman wrote, "I believe this was an accurate account of my information." On August 29, 2019, Mr. Rishavy responded via email and requested changes to his testimony. Mr. Rishavy's testimony was amended accordingly (**Exhibit 8**).

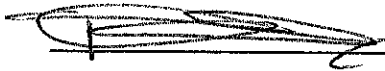
DISTRIBUTION

Palm Beach County School Board Members
Donald E. Fennoy II, Superintendent
Audit Committee Members
OIG File

SCHOOL DISTRICT OF PALM BEACH COUNTY OFFICE OF INSPECTOR GENERAL
OIG FINAL REPORT OF INVESTIGATION
Procurement/Vendor at Palm Beach Maritime Academy

Investigation Conducted by:

Robert Sheppard, CIGI, Senior Investigator


9/20/19
Date

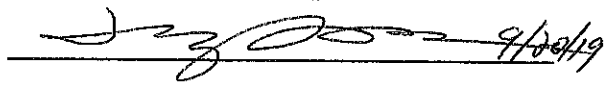
Investigation Supervised by:

Oscar Restrepo, CIG, Director of Investigations


9/20/19
Date

Investigation Approved by:

K. Lung Chiu, CIG, Inspector General


9/20/19
Date

The evidentiary standard used by the School District of Palm Beach County OIG in determining whether the facts and claims asserted in the complaint were proven or disproven is based upon the preponderance of the evidence. Preponderance of the evidence is contrasted with "beyond a reasonable doubt," which is the more severe test required to convict a criminal and "clear and convincing evidence," a standard describing proof of a matter established to be substantially more likely than not to be true. OIG investigative findings classified as "substantiated" means there was sufficient evidence to justify a reasonable conclusion that the actions occurred and there was a violation of law, policy, rule, or contract to support the allegation. Investigative findings classified as "unfounded" means sufficient evidence to justify a reasonable conclusion that the actions did not occur and there was no violation of law, policy, rule, or contract to substantiate the allegation. Investigative findings classified as "unsubstantiated" means there was insufficient evidence to justify a reasonable conclusion that the actions did or did not occur and a violation of law, policy, rule, or contract to support the allegation could not be proven or disproven.

Exhibit #1

December 20, 2016, Palm Beach Maritime
Academy

Board Meeting Agenda Minutes



Palm Beach Maritime Academy

A division of Palm Beach Maritime Museum, Inc.
Email: maritimeacademy@aol.com

Palm Beach Maritime Academy – Elementary Campus
1518 W. Lantana Rd., Lantana, FL 33462
(561-547-3775 Fax: 561-540-5177

Palm Beach Maritime Academy – Middle & High School Campus
600 S. East Coast Avenue, Lantana, FL 33462
(561)-578-5700 Fax: 561-337-3400

Minutes of Palm Beach Maritime Museum, Inc. d/b/a Palm Beach Maritime Academy - School IDs #2801 & #3924

Location: 600 S. East Coast Avenue, Lantana, FL 33462

Notice of the Meeting was posted on PBMA's website and at both campuses

Tuesday, December 20, 2016, 4:30 PM EST

Present was Board member Andy Binns (AB), Scott Shelley (SS), Judy Lehman (JL). Steve Bolin (SB) participated via telephone. With 4/4 members in attendance, a quorum was present.

Also present were Marie Turchiaro, Dan Rishavy, Reno Boffice, Chris Skierski, Nancy Swenson, Shari Cooper, Stacy McDonald, Keirstin Potts, Deborah Ward, Donna Lee Bourbeau, Gina Faya (Board Minutes and Parent Liaison in the absence of Pat Tierney).

Agenda Item 1: Call Meeting to Order

Meeting was called to order at 4:35 PM.

Agenda Item 2: Review Draft Agenda and Adopt Final Agenda

- Resolved, to approve draft agenda and adopt final Agenda.
 - Motioned to Approve: JL
 - Seconded: SS
 - Four (4) Board members in agreement
 - Motion Carried 4/4
- Board invited the teachers to present first in case they need to leave.

Agenda Item 3: Approval of Board Meeting Minutes of November 8, 2016

- Resolved, Board moved to approve the November 8 Board Meeting Minutes.
 - Motioned to Approve: JL
 - Seconded: SS
 - Four (4) Board members in agreement
 - Motion Carried 4/4

Agenda Item 4: Principal's Report – Marie Turchiaro

- A. Shari Cooper, Title I Parent Liaison – Parent activities, trainings, reactions, school participation in community events.

- Indian River Lawsuit – Ms. Turchiaro asked Dan Rishavy to discuss. Dan reported the lawsuit was settled and that PBMA doesn't owe anything. The case was dismissed.

Resolved, Board moved to approve the dismissal of the Indian River lawsuit.

- Motioned to Approve: JL
- Seconded: SS
- Four (4) Board members in agreement
- Motion Carried 4/4

Agenda Item 5: RFP Committee Update: Recommendation to Board per Committee Decision for selection of Linkup, Inc. as Financial Service Provider and Recommendation for Additional RFPs Resignation of Principal from Committee – Andy / Scott

- Dan Rishavy will return to provide contract services to PBMA under Linkup, Inc. Principal Marie Turchiaro and Board Chair Mr. Binns will work out the contract details. Mr. Shelley added that Board is accepting Linkup's contract proposal. Dan added that after a thorough review, Linkup's proposal was the most responsive and the lowest priced.
- Mr. Binns reported that Principal Marie Turchiaro resigned from the RFP committee due to her belief that she could best serve the committee as staff.
- Scott Shelley reported that everything else will be kept in place except for the contractor relationship with Dan.
- Andy Binns added that the RFP committee is also in the process of looking at other areas. We are looking at all the areas that are non-teaching: Maintenance, Human Resources, Benefits. Mr. Binns reported that RFPs for those areas are currently being worked on.
- Dan reported that the process the RFP committee has engaged in is to look at those areas and go to what we determine some of the largest service providers in the industry for the different areas: Professional Employer Organization (PEO), Administrative services, Comprehensive Building Maintenance and Legal services. According to Dan, this will allow the board to look at several sets of specifications from their proposals, and put together what we want. Then the firms will respond with the best RFPs that they're able to provide. Then we will evaluate those.
- Scott Shelley added the board is trying to figure out if they can get their education legal expertise done on a call-in. So instead of paying \$300 per hour, possibly being able to access somewhere and pay \$50 or \$75 an hour to access the information. Maybe there's a legal service out there that can be accessed that can work similar to TeleMed where a nurse practitioner dispenses information over the phone at a cheaper price than a doctor's visit.
- Scott Shelley suggested moving to approve the LinkUp proposal:
- **Resolved**, Board moved to approve the Linkup, Inc. proposal.
 - Motioned to Approve: JL
 - Seconded: SB
 - Four (4) Board members in agreement
 - Motion Carried 4/4
- Scott Shelley held a discussion about tax savings, deductions, credits, expense reductions for businesses. Based on where it is and where we're able to find those savings, there's not a fee for that service, it's based on contingency. My firm is going to be embarking on some additional legal proceedings and Dan is going to be a big part of that as a consultant that is not tied to his PBMA

contract. I spoke with Marie and Dan. My feelings would be to provide him a contingency based on what is recovered, if anything ever gets recovered. The group consensus is 10%.

- **Resolved, Board moved to put that provision on a separate contract to allow Dan to go to work for us on a legal financial case.**

- **Motioned to Approve:** AB
- **Seconded:** JL
- **Four (4) Board members in agreement**
- **Motion Carried** 4/4

- Steve Bolin inquired if this was an open-ended exploratory assignment or if there was a scope of work that needed to be accomplished. Scott responded that there are no costs; that there's already an agreement for a contingency from the attorneys that are pursuing this on their behalf. **There's only one person (Dan) in this organization who has all the background information and documents regarding this litigation. A discussion followed on how the contingency provision would be carried out.**

Agenda Item 6: Update on Settlement Agreement with Foundation – Dan Rishavy

Dan Rishavy reported that Foundation's settlement has been approved by the court; the court held that they could come back on that matter against the other party if the other party does not perform the follow up requirements, such as giving PBMA information requested. A discussion followed on the court ruling and the consequences for lack of cooperation.

In a follow up with counsel before today's board meeting, counsel reported that Foundation's attorney is from the same firm as the attorney who represented the board from the insurance company. The firm wanted to know if this board would accept the conflict of interest. Since this board will not accept the conflict of interest, the Foundation will need to seek new counsel. A discussion followed about the timeframe allowed to resolve this issue.

Agenda Item 7: Financial/Bond/Budget – Dan Rishavy

- The financials were reviewed with Andy Binns, as we've done before prior to the board meeting. As a matter of precaution, I asked our external auditor review our year-to-date financial statements, along with the support documents, especially the ones from the bond holders and the payments that they've taken. The external auditor reported that our financial statements are in good order. So they are an accurate representation of where we stand. To summarize, there are two things that we need to look at: (1) how are we doing on our unrestricted fund balance and in the combined schools from the end of last year to the end of November this year; the balance has increased in unrestricted available funds by \$170K. The total fund balance has decreased from the beginning of the year by \$105K. That difference represents the amount of the bondholders' payment that they took in November net of what the forbearance agreement amount was that we contributed to from our general accounts to the US Bank account.
- Andy Binns added that even though we have the forbearance agreement, the bondholders are still taking their regular payment. It's the money that was set aside for projects. This practice is allowed and they are going to do it again in May and it will show up in June when we review the statements.
- Dan reported that he asked the auditor, as he reviewed the statements, that since our gross amount of total funds available has declined by \$105K since the end of last year, although

Exhibit #2

January 1, 2017, Daniel Rishavy owner of
Link Up Inc., Service Contract agreement
between

Palm Beach Maritime Academy



LINK-UP INCORPORATED
SERVICE AGREEMENT WITH THE PALM BEACH MARITIME MUSEUM
Db/ Palm Beach Maritime Academy

This SERVICE AGREEMENT ("Agreement") is entered into effective as of this 1st day of January, 2017, by and between Link-Up, Incorporated (Link-Up), a Florida Corporation, and the Palm Beach Maritime Museum (PBMM), Inc. as Florida non-profit corporation, also dba / Palm Beach Maritime Academy (PBMA).

WITNESSETH:

WHEREAS, Link-Up desires to provide its services to the PBMA and the PBMA desires the services described in Link-Up, Inc.'s response to the certain RFP that was issued and is an Exhibit to this agreement.

NOW, THEREFORE, in consideration of their mutual promises and covenants, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Services and Deliverables Link-Up, Inc shall provide services in conformance to the response that it provided to a certain RFP, both of which are attached as Exhibits to this agreement. Link-Up, Inc shall maintain its work current on a Dropbox account, or other such electronic back up service that the school provides.

2. Term. The term of this Agreement shall commence on January 1, 2016 and terminate December 31, 2020.

3. Annual review and request to contract extension. Annual the Governing Board of the Palm Beach Maritime Museum shall review the services provided by Link-Up, Inc. Assuming that this review has a satisfactory rating, Link-up may notice the that it requests that the contract is extended by one year, so that the contract shall remain with a forward term of 3 years. Should Link-Up not receive a satisfactory rating, it may at the next rating time request that the extension continue to provide for a three year forward term. The Governing Board shall govern the PBMA and shall be solely responsible for the policy making decisions and oversight of the School's operation in accordance with the Charter.

4. Responsibility. Link-Up shall be responsible and accountable to the Governing Board for the services provided in this Agreement and in accordance with the Charter, and any laws applicable to the School. Accordingly, Link-Up shall:

- A. Meet with the PBMA on such frequency as the Board shall reasonably request.
- B. Provide all information and written reports reasonably requested by the Governing Board in accordance with this agreement.

5. Subcontracts. Except for those persons identified in the response to the RFP, Link-Up, Inc. reserves the right to subcontract any aspect of the services it agrees to provide to the Governing Board and the PBMA, and shall provide written notice to the Governing Board of such subcontractors to ensure that the Governing Board is fully apprised of those parties and individuals involved in performance of this agreement. Link-Up shall further ensure that such subcontractors in contact with the students are appropriately reviewed, screened and obtain the appropriate clearance to interact directly with students at the school. Link-Up shall ensure that subcontractors maintain the requisite insurance as may be required by the circumstances and the industry relative to the subcontractor's services.

6. Authority. Link-Up is granted the authority and power necessary to carry out its responsibilities as provided for within this Agreement by the Governing Board subject to the terms and conditions provided for herein.

7. Fees. Link-Up, Inc. shall include the payment of a monthly fee (the "Fee") to Link-Up for services rendered in accordance with the matrix adopted by the Governing Board (EXHIBIT A - Service Agreement Fee Matrix Analysis). This fee will be paid bi-monthly on the 15th the last day of the month. It is recognized that the Governing Board of PBMA authorizes and is obligated to cause the school to pay these services fees set forth in the response to the RFP as of January 1, 2017 (the Start Date). Should any portion of this agreement still be under negotiation after the Start Date, the school shall non-the-less pay the fees scheduled in the response to the RFP as of the Start Date.

8. Additional Services. Except as covered under other agreements separate from this agreement, Link-Up will provide, as mutually agreed by the governing board, additional services which are not inconsistent with the Charter or state or federal law and are not covered under this RFP. Rates for additional services are covered under the Exhibits to this agreement. The governing board will assign the Chairman, or other assigned designee, to authorize such additional services, provided that they are noticed to the PBMA and the governing board in the next meeting that they hold.

9. Termination by the PBMA. The Governing Board may terminate this Agreement in the event (i) the Charter is not renewed, or (ii) Link-Up materially breaches this Agreement or the Charter and Link-Up does not cure said material breach within thirty (30) days of its receipt of written notice from the Governing Board, unless the breach cannot be reasonably cured within thirty (30) days, in which event, Link-Up shall have such time as is reasonable to cure such breach as long as Link-Up begins such cure within the initial thirty (30) day period and continues to diligently pursue such cure. Notwithstanding the foregoing, in the event that a material breach shall be such that it creates an imminent danger to the life of students, parents or others, or otherwise results in notice to the Governing Board of the termination of its Charter by the Authorizer, said breach must be cured as soon as is possible upon written notice from the Governing Board.

Further, the Governing Board shall have the right to terminate this Agreement, effective upon delivery of written notice of termination to Link-Up if:

- C. The parties to this Agreement mutually agree in writing to terminate the Agreement.

- D. Upon the nonrenewal or termination of the Charter by the Authorizer.

10. Duties Upon Termination. Upon termination of this Agreement for any reason whatsoever, upon receipt and clearance of appropriate funding, the Governing Board shall immediately pay to Link-Up any monies owing. Furthermore, the Governing Board shall return to Link-Up any materials owned by Link-Up.

Link-Up shall assist the Governing Board at its written request with all phases of the transition of operations, including, the transfer to the Governing Board of all records, School property and materials acquired by the Governing Board, and sending of any required notices.

11. Relationship of the Parties. The parties hereto acknowledge that the relationship Link-up, Inc., is that of independent contractors. Nothing contained herein shall be construed to create a partnership or joint venture between the parties. This Agreement does not create an employee/employer relationship between the parties. It is the intent of both parties that Link-Up is an independent contractor under this Agreement and not the Governing Board's employee for any purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers Compensation Act, and the State Unemployment Insurance Law. Link-Up shall retain sole and absolute discretion in the judgment of the manner and means of carrying out Link-Up activities and responsibilities hereunder.

12. No Third Party Beneficiaries. This Agreement and the provisions hereof are for the exclusive benefit of the parties hereto and their affiliates and not for the benefit of any third person, nor shall this Agreement be deemed to confer or have conferred any rights, express or implied, upon any other third person.

13. Notices. Any notices to be provided hereunder shall be in writing and given by personal service, mailing the same by United States certified mail, return receipt requested, and postage prepaid, by email (provided a copy is sent by one of the other permitted methods of notice), or a nationally recognized overnight carrier.

If to Link-Up:

Link-Up, Inc.
20423 State Rd 7,
#F6, 490
Boca Raton, FL 33498
dan.rishavy@linkupinc.com

If to the Palm Beach Maritime Museum (dba/PBMA)

Palm Beach Maritime Museum, Governing Board
1518 W. Lantana Road
Lantana, FL 33460
mturchiaro@pbmalantana.org

14. **Severability.** The invalidity or unenforceability of any provision or clause hereof shall in no way effect the validity or enforceability of any other clause or provision hereof.

15. **Waiver and Delay.** No waiver or delay of any provision of this Agreement at any time will be deemed a waiver of any other provision of this Agreement at such time or will be deemed a waiver of such provision at any other time.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida without regard to any jurisdiction's conflict of laws provisions.

17. **Assignment; Binding Agreement.** As this agreement relies upon the underlying response to a certain RFP and the persons identified therein, neither party may assign this Agreement without the written consent of the other party. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

18. **Representations and Warranties of Link-Up.** Link-Up hereby represents and warrants to the PBMA as follows:

- A. Link-Up is duly organized, validly existing, and in good standing under the laws of the State of Florida. Link-Up has the authority to carry on its business as now being conducted and the authority to execute, deliver, and perform this Agreement.
- B. Link-Up has taken all actions necessary to authorize the execution, delivery, and performance of this Agreement, and this Agreement is a valid and binding obligation of Link-Up enforceable against it in accordance with its terms, except as may be limited by federal and state laws affecting the rights of creditors generally, and except as may be limited by legal or equitable remedies.

19. **Dispute Resolution.** Upon the occurrence of any dispute or disagreement between the parties hereto arising out of or in connection with any term or provision of this Agreement, the subject matter hereof, or the interpretation or enforcement hereof (the "Dispute"), both Parties shall engage in informal, good faith discussions and attempt to resolve the Dispute. In connection therewith, upon written notice of either party, each of the parties will appoint a designated officer whose task it shall be to meet for the purpose of attempting to resolve such Dispute. The designated officers shall meet as often as the parties shall deem to be reasonably necessary. Such officers will discuss the Dispute. If the parties are unable to resolve the Dispute in accordance with this Section, and in the event that either of the parties concludes in good faith that amicable resolution through continued negotiation with respect to the Dispute is not reasonably likely, then the parties may mutually agree to submit to binding arbitration.

20. **Arbitration.**

- A. In the event of any dispute between the parties hereto, the parties shall settle said dispute through binding arbitration (unless otherwise required by any applicable insurance policy or contract, the Charter or law). In the event arbitration is the applicable form of dispute resolution, each party

shall appoint one arbitrator and then the two previously selected arbitrators shall agree upon a third. The arbitration shall take place utilizing the then-current rules of the American Arbitration Association ("AAA") and shall take place in the State of Florida, Palm Beach County.

- B. The parties shall have the right of limited pre-hearing discovery, in accordance with the U.S. Federal Rules of Civil Procedure, as then in effect, for a period not to exceed sixty (60) days.
- C. As soon as the discovery is concluded, but in any event within thirty (30) days after the filing or arbitration and selection of arbitrators, the arbitrators shall hold a hearing in accordance with the aforesaid AAA rules. Thereafter, the arbitrators shall promptly render a written decision, together with a written opinion setting forth in reasonable detail the grounds for such decision. Any award by the arbitrators in connection with such decision shall also provide that the prevailing party shall recover its reasonable attorneys' fees and other costs incurred in the proceedings, in addition to any other relief which may be granted.
- D. Judgment may be entered in any court of competent jurisdiction to enforce the award entered by the arbitrators.

21. Indemnification of the Parties. The PBMM/PBMA and Link-Up, each referred to a "Party" or collectively as the "Parties", shall indemnify and hold harmless each other and their respective officers, directors and equity holders from any and all claims, demands, actions, suits, causes of action, obligations, losses, costs, expenses, fees (including but not limited to reasonable attorney and expert witness fees), damages, judgments, orders, and liabilities of whatever kind or nature in law, equity or otherwise, incurred by the other Party arising from any of the following:

- A. Failure of the indemnifying Party or any of its officers, trustees, directors, or employees to perform any duty, responsibility or obligation imposed by law or by this Agreement or the Contract; and
- B. An action or omission by the indemnifying Party or any of its officers, trustees, directors, employees, successors, agents or contractors that results in injury, death or loss to person or property, breach of contract, or violation of statutory law or common law (state or federal).

The Parties recognize that various provisions of this Agreement, including but not limited to this Section, provide for indemnification and requires a specific consideration be given therefor. The Parties therefore agree that the sum of One Thousand Dollars (\$1,000.00), of the consideration paid under this Agreement shall be the specific consideration for such indemnities, and the providing of such indemnities is deemed to be part of the specifications with respect to the services to be provided by Link-Up. Furthermore, the parties understand and agree that the covenants and representations relating to this indemnification provision shall serve the term of this Agreement and continue in full force and effect as to the party's responsibility to indemnify after the expiration or termination of this Agreement due to any indemnification right that arises prior to the termination or expiration of this Agreement.

22. Venue. This Agreement is made under, and in all respects shall be interpreted, construed, and governed by and in accordance with, the laws of the State of Florida. Venue for any legal action or dispute resolution resulting from this Agreement shall lie in the Palm Beach County, Florida.

23. Legal Representation: It is acknowledged that each party to this Agreement had the opportunity to be represented by counsel in the preparation of this Agreement and, accordingly, the rule that a contract shall be interpreted strictly against the party preparing same shall not apply herein due to the joint contributions of both parties.

24. Amendment. This Agreement may not be modified, amended or altered in the terms and conditions contained herein unless contained in writing executed with the same formality and of equal dignity herewith.

25. Counterparts. This Agreement may be executed in several counterparts, and via facsimile, with each counterpart deemed to be an original document and with all counterparts deemed to be one and the same instrument.

26. Captions. Paragraph captions are used herein for references only and are not intended, nor shall they be used, in interpreting this instrument.

27. Waiver. Any failure by either party to require strict compliance with any provision of this contract shall not be construed as a waiver of such provision, and the other party may subsequently require strict compliance at any time, notwithstanding any prior failure to do so.

28. Equal Employment Opportunity. In the performance of this Agreement, Link-Up shall not discriminate against any firm, employee or applicant for employment or any other firm or individual in providing services because of sex, age, race, color, religion, ancestry or national origin.

End of Agreement Except for Signature Pages and Exhibits 1-3.

IN WITNESS WHEREOF, the parties hereto have set their hands by and through their duly authorized officers as of the date first above written.

Palm Beach Maritime Museum, Inc.

By its Governing Board Chairman


Andy Binns

Date

1/24/17

Link-Up, Inc.

by its CEO


Daniel Rishavy

Date

1/24/17

Exhibit 2

Additional Services

2.a.

Except for services otherwise provided for in the Exhibit 1 and Exhibit 2.b., that are required by the PBMA will be billed on an hourly rate as follows:

Executive: CPA, CFA, or Masters' Degree in Accounting and Finance \$110 / HR

Back Office financial modeling and data management support \$40 / HR

2.b.

Fees for services not covered under this agreement, such as negotiations for debt restructuring and legal services shall be paid for on a contingency-fee basis from normal and customary fees born by vendors or lenders, if any, and disclosed to the governing board, or from net funds gained by the school for their use, at a rate of 10% of the net proceeds gained by the school. Link-Up, Inc. agrees that such compensation shall not be due from the school, except as provided for herein.

END OF EXHIBIT

Initials: Andy Binns



Daniel Rishavy



1/24/17

Date 1/24/17

Exhibit 3

The original RFP for Back Office Services and Link-Up, Inc.'s response are attached as Exhibit 3 to this agreement.

END OF EXHIBIT

Initials: Andy Binns AB Daniel Rishavy DR

Date 1/24/17

Exhibit #3

Municipal Bond Agreement
Between
Palm Beach Maritime Academy
and
Hapoalim Securities USA, Inc.

LIMITED OFFERING

In the opinion of Greenspoon Marder, P.A., Bond Counsel to the Authority, assuming compliance by the Authority and the Borrower with certain tax covenants described hereunder existing law, interest on the Series 2014A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, amended (the "Code"), and interest on the Series 2014A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. In the case of certain corporate holders of the Series 2014A Bonds, interest on the Series 2014A Bonds will be included in the calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Series 2014A Bonds in "adjusted current earnings." Interest on the Series 2014B Bonds is not excludible from gross income for income tax purposes. See "TAX MATTERS" herein.

**PUBLIC FINANCE AUTHORITY****\$21,000,000 First Mortgage Educational Facility Revenue Bonds****(Palm Beach Maritime Academy Project)****Series 2014A****\$3,640,000 First Mortgage Educational Facility Revenue Bonds****(Palm Beach Maritime Academy Project)****Taxable Series 2014B****Dated: Date of Delivery****Due: May 1, as shown on the inside cover page here****Price: 100%**

The Public Finance Authority, a unit of government and a body corporate and politic of the State of Wisconsin (the "Authority"), is issuing its \$21,000,000 First Mortgage Educational Facility Revenue Bonds (Palm Beach Maritime Academy Project), Series 2014A (the "Series 2014A Bonds") and \$3,640,000 First Mortgage Educational Facility Revenue Bonds (Palm Beach Maritime Academy Project), Taxable Series 2014B (the "Series 2014B Bonds"), which together with the Series 2014A Bonds are collectively referred to herein as the "Bonds" and will be the proceeds of the Bonds to the Palm Beach Maritime Museum, Inc. d/b/a Palm Beach Maritime Academy, a Florida non-profit corporation (the "Borrower"). The Borrower has been granted a charter by the School Board of Palm Beach County, Florida (the "School Board") to operate the Palm Beach Maritime Academy charter school (the "Palm Beach Maritime Academy"). The Bonds are being issued only in fully registered form, without coupons, in denominations of \$100,000 or integral multiples of \$5,000 in excess thereof. The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Bonds will be paid from the sources identified below by the Trustee (hereinafter defined), directly to the registered owner thereof. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and the Indirect Participants, as more fully described herein.

Any purchaser as a beneficial owner of a Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Bonds. See "DESCRIPTION OF THE BONDS—Book-Entry Only System" herein.

For further information concerning the Authority, see "THE AUTHORITY" herein.

The Bonds are being issued pursuant to Section 66.0304 of the Wisconsin Statutes and a Trust Indenture (the "Indenture") dated as of June 1, 2014, between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture. See "APPENDIX B—Form of the Indenture."

The Authority will lend the proceeds of the Bonds to the Borrower pursuant to a Loan Agreement dated as of June 1, 2014 (the "Loan Agreement") between the Authority and the Borrower. The Series 2014A Bonds are being issued to (1) finance a portion of the cost to construct, equip and acquire the Borrower's two charter school facilities in Lantana, Palm Beach County, Florida (collectively, the "Facility"), (2) refund a portion of the principal amount of the Authority's \$1,000,000 Education Revenue Bonds (Palm Beach Academy Project), Series 2014A (the "Refunded Bonds"), (3) make a deposit into the Debt Service Reserve Fund, (4) fund capitalized interest with respect to the Series 2014A Bonds and (5) pay a portion of the cost of issuance with respect to the Series 2014A Bonds. The Series 2014B Bonds are being issued to (1) finance a portion of the cost to construct, equip and acquire the Facility, (2) refund a portion of the Refunded Bonds, (3) make a deposit into the Debt Service Reserve Fund, (4) fund capitalized interest with respect to the Series 2014B Bond, and (5) pay a portion of the costs of issuance of the Bonds. See "ESTIMATED SOURCES AND USES OF PROCEEDS OF THE BONDS." The Bonds are payable solely from the assets and revenues pledged to the payment thereof under the Indenture. The Borrower's obligation to repay the loan of the proceeds of the Bonds is secured by the Borrower's two promissory notes to the Authority in the same aggregate principal amount as the Bonds (the "Notes"). The Notes are secured by a pledge of and lien on the Gross Revenues and certain funds and accounts created under the Indenture (the "Trust Estate"). The Borrower's obligation to repay the loan of the proceeds of the Bonds is secured by a Guaranty Agreement dated as of June 1, 2014 (the "Guaranty Agreement") from Palm Beach Maritime Foundation, Inc., a Maryland non-profit corporation (the "Guarantor") to the Trustee. The Borrower's obligation to repay the loan of the proceeds of the Bonds is also secured by a Mortgage and Security Agreement dated as of June 1, 2014 (the "Mortgage and Security Agreement") from the Borrower to the Trustee. The Authority has assigned to the Trustee (1) all right, title and interest in and to the Notes, and (2) all right, title and interest in and to the Loan Agreement (except for certain "Unassigned Rights" defined therein), and the Trust Estate all as more fully described under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory and extraordinary optional redemption, as more fully described herein. See "DESCRIPTION OF THE BONDS—Redemption Provisions."

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). EXCEPT FROM SUCH SOURCE, NONE OF THE AUTHORITY, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE AUTHORITY, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER.

The Bonds are not rated, may not be appropriate for some investors and are subject to certain risks. See "CERTAIN BONDHOLDERS' RISKS" herein. There are restrictions on who may purchase the Bonds. In addition, this Limited Offering Memorandum only contains limited information regarding the Bonds and is not to be considered a complete description of the matters necessary for the making of an informed investment decision. Additional information may be obtained from the Borrower at the address contained herein. Each initial purchaser of the Bonds will be required to execute and deliver an investment letter in the form attached to this Limited Offering Memorandum as APPENDIX E, see "RESTRICTIONS ON OWNERSHIP AND TRANSFER OF BONDS" herein. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS. SEE "SUITABILITY FOR INVESTMENT" HEREIN.

THE BONDS WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SECURITIES LAW OF ANY STATE IN THE UNITED STATES OF AMERICA. THE BONDS ARE ONLY BEING OFFERED AND SOLD TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144 UNDER THE SECURITIES ACT). THE BONDS ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AS SET FORTH IN THE INDENTURE AND DESCRIBED HEREIN, AND FURTHER MAY NOT BE TRANSFERRED OR SOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. EACH INVESTOR, AT THE TIME OF DELIVERY OF THE BONDS WILL BE REQUIRED TO EXECUTE A QUALIFIED INVESTOR LETTER IN THE FORM ATTACHED HERETO AS APPENDIX F WHEREBY THEY WILL REPRESENT, AMONG OTHER THINGS, THAT THEY ARE A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF THE SECURITIES ACT.

This cover page contains certain information for quick reference only. It is not a summary of the Bonds.

All summaries of documents and agreements in this Limited Offering Memorandum are qualified in their entirety by reference to such documents and agreements, and all summaries of the Bonds are qualified in their entirety by reference to the form included in the aforesaid documents and agreements.

The Bonds will be delivered when, as and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Greenspoon Marder, P.A., West Palm Beach, Florida, Bond Counsel, as to the validity of the Bonds and the excludability of interest on the Series 2014A Bonds from gross income for federal income tax purposes. von Briesen & Roper, s.c., Milwaukee, Wisconsin is serving as Counsel to the Authority. Edwards Wildman Palmer LLP, West Palm Beach, Florida is serving as Counsel to the Underwriter. Law Offices of Levi Williams, P.A., Fort Lauderdale, Florida is serving as Counsel to the Borrower and the Guarantor.

It is expected that the Bonds will be delivered in book-entry form through the facilities of DTC, New York, New York on or about June 26, 2014.

Dated: June 19, 2014

www.pfaauthority.org/PFAAPPForms/MSI

**SERIES 2014 BONDS
MATURITIES AND CUSIP NUMBERS**

\$3,000,000 6.50% Term Series 2014A Bonds Due May 1, 2029.

CUSIP†: 74443DAJ0

\$18,000,000 7.00% Term Series 2014A Bonds Due May 1, 2040.

CUSIP†: 74443DAG6

\$3,640,000 6.25% of Term Series 2014B Bonds **Due May 1, 2017.**

CUSIP†: 74443DAH4

† Copyright 2014, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers Association by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the registered owners of the applicable Bonds. None of the Authority, the Borrower or the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance and other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

This Limited Offering Memorandum does not constitute an offer to sell the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. No dealer, salesman or other person has been authorized by the Authority, the Borrower or the Underwriter to give any such other information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the Borrower, the Underwriter, or any other person. Nothing contained herein shall be construed to be an endorsement by the Authority or the Borrower of the feasibility of the Project or of the investment quality of the Bonds.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE SECURITIES OFFERED HEREBY, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 OR UNDER THE SECURITIES ACTS OF ANY STATE DUE TO EXEMPTIONS FROM REGISTRATION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AUTHORITY ENDORSED THE MERITS OF THIS OFFERING OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information set forth herein has been obtained from the Authority and the Borrower, The Depository Trust Company and other sources, that are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Underwriter, the Authority or the Borrower as to information from other sources. References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exception to statements made herein. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borrower or in the Facility since the date hereof or the earliest date as of which such information is given.

This Limited Offering Memorandum has been prepared solely for an offering to certain "qualified institutional buyers" without general solicitation, or advertising. Each initial purchaser will be required to sign an investor letter stating that such buyer is a "qualified institutional buyer" as defined in Rule 144A of the Securities Act of 1933, as amended. A form of the investor letter is attached to this Limited Offering Memorandum as APPENDIX F.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Limited Offering Memorandum contains certain forward-looking statements (as such term is defined in the Securities Act of 1933, as amended) concerning the Borrower. These statements are based upon beliefs of certain officers of the Borrower and others as well as a number of assumptions and estimates which are inherently subject to significant uncertainties, many of which are beyond the control of the Borrower. Future events may differ materially from those expressed or implied by such forward-looking statements. The words "anticipates," "believes," "estimates," "expects," "plans," "intends," "projections" and similar expressions, as they relate to the Borrower are intended to specifically identify forward-looking statements. Such statements reflect the current views of the Borrower with respect to future events and are subject to certain risks, uncertainties and assumptions. The Borrower will undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, there can be no assurances that the events described or implied in the forward-looking statements contained in this Limited Offering Memorandum will in fact occur.

RESTRICTION ON DENOMINATIONS

The purchase of the Bonds is suitable only for participants of substantial financial means who have no need for liquidity in their investment and who understand and can afford the financial and other risks of this investment. To help prevent purchase of Bonds by investors who may not be appropriate investors, the Bonds will be issued in denominations of \$100,000 and integral multiples of \$5,000 in excess thereof.

THIS LIMITED OFFERING MEMORANDUM SHALL NOT CONSTITUTE A CONTRACT BETWEEN THE UNDERWRITER OR THE BORROWER AND ANY OWNER OF THE BONDS.

U.S. Bank National Association, by acceptance of its duties as Trustee under the Trust Indenture, has not reviewed this Limited Offering Memorandum and has made no representations as to the information contained herein, including but not limited to, any representations as to the financial feasibility or related activities.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
DESCRIPTION OF THE BONDS	2
General Description	2
Book-Entry Only System.....	2
Redemption Provisions	5
Optional Redemption	5
Mandatory Sinking Fund Redemption.....	5
Extraordinary Mandatory Redemption	7
Authorization to Purchase Bonds	8
ESTIMATED SOURCES AND USES OF PROCEEDS OF THE BONDS.....	9
DEBT SERVICE REQUIREMENTS.....	10
SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS.....	10
Trust Estate	10
Pledge of and Security Interest in Gross Revenues	11
Loan Repayments.....	12
Guaranty Agreement.....	13
Mortgage and Security Agreement	13
Additional Bonds	13
Debt Service Reserve Fund.....	13
THE AUTHORITY	13
Formation and Governance	13
Powers.....	14
Local Approvals.....	14
TEFRA Approvals	14
State Pledge.....	14
Board of Directors	15
Special Limited Obligations	15
Other Obligations.....	16
Limited Involvement.....	16
Authority Contact	16
Disclosure Regarding Litigation Affecting the Bonds	16
PALM BEACH MARITIME ACADEMY CHARTER SCHOOL.....	16
THE BORROWER AND THE GUARANTOR.....	17
THE CHARTER	17

Forming a Charter School.....	17
Borrower’s Charter	18
Eligible Students	18
Operation of Charter Schools	18
Renewal and Termination of the Charter.....	19
THE FACILITY AND THE PROJECT	19
Lantana 1.....	19
Lantana 2.....	20
CERTAIN RISK FACTORS	20
Debt Service Coverage	20
State Revenues.....	21
Gross Revenues and Enrollment.....	21
Priority of Security, Enforceability of Remedies.....	21
Liquidation of Security May Not Be Sufficient in the Event of a Default	22
Termination, Revocation or Non Renewal or of Charter; Pending Approval of High School Charter	22
Taxation of Nonprofit Organizations.....	22
Possible Changes in the Borrower’s Tax Status	23
Hazardous Materials	23
Other Possible Risk Factors.....	23
RESTRICTIONS ON OWNERSHIP AND TRANSFER OF BONDS.....	24
SUITABILITY FOR INVESTMENT	24
TAX MATTERS.....	24
Exclusion of Interest on the Series 2014A Bonds From Gross Income for Federal Tax Purposes	24
Additional Federal Income Tax Consequences	25
Changes in Federal Tax Law	25
NO RATING.....	26
LIMITED OFFERING.....	26
LEGAL MATTERS.....	26
MISCELLANEOUS	26

APPENDICES

APPENDIX A:	Certain Information Regarding the Borrower and Palm Beach Maritime Academy	A-1
APPENDIX B:	Form of the Indenture	B-1
APPENDIX C:	Form of the Loan Agreement	C-1
APPENDIX D:	Form of the Mortgage and Security Agreement	D-1
APPENDIX E:	Proposed Form of Opinion of Bond Counsel	E-1
APPENDIX F:	Form of Qualified Investor Letter.....	F-1
APPENDIX G:	Charter	G-1
APPENDIX H:	Environmental Site Assessment Reports Relative to the Facilities	H-1
APPENDIX I:	Form of Guaranty Agreement.....	I-1
APPENDIX J:	Report of Feasibility Consultant.....	J-1
APPENDIX K:	Audited Financial Statements of Palm Beach Maritime Academy for the Fiscal Years Ended June 30, 2013 and June 30, 2012	K-1

LIMITED OFFERING MEMORANDUM

PUBLIC FINANCE AUTHORITY
\$21,000,000 First Mortgage Educational Facility Revenue Bonds
(Palm Beach Maritime Academy Project)
Series 2014A

\$3,640,000 First Mortgage Educational Facility Revenue Bonds
(Palm Beach Maritime Academy Project)
Taxable Series 2014B

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and Appendices hereto, is to provide certain information regarding the above referenced bonds (the "Bonds").

Accordingly, there follows in this Limited Offering Memorandum brief descriptions of the Authority, the Borrower, the Guarantor, the Facility and the Project together with certain information about the terms of the Bonds, the Indenture and the Loan Agreement. All references herein to the Indenture and the Loan Agreement are qualified in their entirety by reference to such documents and all references to the Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. Copies of the Indenture, the Loan Agreement, the Mortgage and Security Agreement and the Guaranty Agreement, as executed, are available upon request to the Borrower at the address set forth below. All capitalized terms not otherwise defined in this Limited Offering Memorandum shall have the meanings assigned to them in the Indenture.

The Authority has furnished only the information included herein under the caption "THE AUTHORITY." **The Authority assumes no responsibility for the accuracy or completeness of any other information in this Limited Offering Memorandum.**

POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN ANY SERIES OF THE BONDS. SEE "SUITABILITY FOR INVESTMENT" HEREIN.

This Limited Offering Memorandum only contains limited information regarding the Bonds and is not to be considered a complete description of the matters necessary for the making of an informed investment decision. Additional information may be obtained from the Borrower at the following address:

William E. Burckart, II
Palm Beach Maritime Museum & Academy
4512 N. Flagler Drive, Suite 206
West Palm Beach, FL 33407
(561) 540-5147
(561) 540-5196 Fax
maritimepb@aol.com

The full text of the form of the Indenture appears as Appendix B hereto and the full text of the form of the Loan Agreement appears as Appendix C hereto.

DESCRIPTION OF THE BONDS

General Description

The Bonds will be dated, will bear interest at the rates per annum and, subject to the redemption provisions set forth below, will mature on the dates and in the amounts set forth on the inside cover page of this Limited Offering Memorandum. Interest on the Bonds is to be computed on the basis of a 360-day year consisting of twelve thirty-day months and will be payable on May 1 and November 1, commencing November 1, 2014. The interest on the Bonds may be increased under certain circumstances set forth in the Indenture. See Appendix B – FORM OF THE INDENTURE. U.S. Bank National Association, Fort Lauderdale, Florida will serve as the initial Trustee, registrar and paying agent for the Bonds.

The Bonds are issuable as fully registered bonds, without coupons, in denominations of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. Each Series of the Bonds will be initially issued in the form of a single fully-registered certificate. Upon initial issuance, the ownership of the Bonds will be registered in the bond register kept by the Trustee in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). See “DESCRIPTION OF THE BONDS—Book-Entry Only System” below.

Book-Entry Only System

Subject to the policies and procedures of DTC (or any successor securities depository), the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event bond certificates will be printed and delivered.

The following contains a description of the procedures and operations of DTC and is based upon information provided by DTC. Neither the Authority, the Borrower nor the Underwriter have independently investigated or verified such procedures and operations and assume no responsibility for the accuracy or completeness of the description thereof.

DTC, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate for each of the Bonds will be issued, as set forth on the cover page of this Limited Offering Memorandum, in the aggregate principal amount of such Bond, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments from over one hundred (100) countries that DTC’s Participants (“Direct

Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Direct Participants and the Indirect Participants are collectively referred to as the “DTC Participants.” DTC has Standard & Poor’s rating: AA+. The DTC Rules applicable to DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent by the Trustee to DTC. If less than all of the Bonds within a series or maturity of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants or Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, nor its nominee, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments on the Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Subject to the policies and procedures of DTC (or any successor securities depository), the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds certificates will be printed and delivered.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE BONDS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The Authority and the Borrower can make no assurances that DTC will distribute payments of principal of, redemption price, if any, or interest on the Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the Bonds or redemption notices to the Beneficial Owners of such Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Limited Offering Memorandum. Neither the Authority nor the Borrower is responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect

Participant to give any notice or make any payment to a Beneficial Owner in respect to the Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the Bonds and the manner of transferring or pledging those interests are subject to applicable state law. Holders of beneficial interests in the Bonds may want to discuss the manner of transferring or pledging their interest in the Bonds with their legal advisors.

NONE OF THE AUTHORITY, THE TRUSTEE OR THE BORROWER SHALL HAVE ANY OBLIGATION WITH RESPECT TO ANY DEPOSITORY PARTICIPANT OR BENEFICIAL OWNER OF THE BONDS DURING SUCH TIME AS THE BONDS ARE REGISTERED IN THE NAME OF A SECURITIES DEPOSITORY PURSUANT TO A BOOK-ENTRY ONLY SYSTEM OF REGISTRATION.

Redemption Provisions

Optional Redemption

The Series 2014A Bonds will be subject to optional redemption, by the Authority, prior to maturity, on or after May 1, 2024, at the direction of the Borrower, in whole at any time, or in part on any Interest Payment Date, out of moneys deposited with or held by the Trustee for such purpose, at a price equal to par plus accrued interest to the redemption date.

The Series 2014B Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption

The Series 2014A Bonds maturing on May 1, 2029 are subject to redemption, in part, by lot, from mandatory sinking fund payments deposited in the Debt Service Fund on May 1, 2015 and on each May 1, from and after May 1, 2018 to and including May 1, 2029, at the principal amount thereof plus accrued interest, if any, to the date of redemption (without premium), as follows:

Mandatory Sinking Fund Payment Date (May 1)	Mandatory Sinking Fund Payment
2015	\$1,000,000
2018	70,000
2019	95,000
2020	125,000
2021	155,000
2022	185,000
2023	190,000
2024	190,000
2025	190,000
2026	200,000
2027	200,000
2028	200,000
2029 [†]	200,000

[†] Maturity.

The Series 2014A Bonds maturing on May 1, 2040 are subject to redemption, in part, by lot, from mandatory sinking fund payments deposited in the Debt Service Fund on each May 1, from and after May 1, 2030 to and including May 1, 2040, at the principal amount thereof plus accrued interest, if any, to the date of redemption (without premium), as follows:

Mandatory Sinking Fund Payment Date (May 1)	Mandatory Sinking Fund Payment
2030	\$1,140,000
2031	1,220,000
2032	1,305,000
2033	1,400,000
2034	1,495,000
2035	1,600,000
2036	1,710,000
2037	1,830,000
2038	1,960,000
2039	2,095,000
2040 [†]	2,245,000

[†] Maturity.

The Series 2014B Bonds are subject to redemption, in part, by lot, from mandatory sinking fund payments deposited in the Debt Service Fund on each May 1, from and after May 1, 2015 to and including May 1, 2017, at the principal amount thereof plus accrued interest, if any, to the date of redemption (without premium), as follows:

Mandatory Sinking Fund Payment Date (May 1)	Mandatory Sinking Fund Payment
2015	\$600,000
2016	1,000,000
2017 [†]	2,040,000

[†] Maturity.

In the event of a partial redemption of Bonds through extraordinary mandatory redemption or optional redemption, future mandatory sinking fund installments will be eliminated or reduced in inverse order of sinking fund installment date.

Extraordinary Mandatory Redemption

The Bonds shall be subject to extraordinary mandatory redemption, and shall be redeemed prior to maturity, upon a Determination of Taxability, within 180 days of the date of such Determination of Taxability on a date selected by the Borrower, specified in a notice in writing delivered to the Trustee at least forty-five (45) days prior to the redemption date. Provided, that if the Borrower fails to give such notice, the Bonds shall be redeemed on the 181st day following the Determination of Taxability.

The Series 2014A Bonds being redeemed before maturity in accordance with this section shall be redeemed at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2014A Bonds being redeemed, together with accrued interest (at the Taxable Rate to the extent applicable) to the date of redemption. The Series 2014B Bonds being redeemed before maturity in accordance with this section shall be redeemed at a redemption price equal to the principal amount of the Series 2014B Bonds being redeemed, together with accrued interest to the date of redemption.

Extraordinary Optional Redemption. If there should occur any event described in Section 7.1 (relating to casualty loss or condemnation) of the Loan Agreement which permits the redemption of the Bonds, the Bonds may, in certain circumstances, and upon the satisfaction of certain conditions, as set forth in Section 7.1 of the Loan Agreement, be subject to redemption at any time in whole or in part at a redemption price equal to the principal amount of the Bonds being redeemed, together with accrued interest to the date of redemption.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of less than all of the Bonds, the Trustee will select the Bonds to be redeemed, from the Outstanding Bonds not previously called for redemption, by lot

within a maturity and, if from more than one maturity, in inverse order of maturity or in such other order of maturity as shall be specified in a request of the Borrower.

Notice of Redemption

(a) Notice of redemption shall be given by the Trustee to the Owners of all Bonds to be redeemed, by mail not less than thirty (30) days prior to the date fixed for redemption, at their addresses appearing on the books of registry. Notice of any redemption must be given either (i) by first class mail by the United States Postal Service, postage prepaid, to the Registered Owner thereof at its address which appear on the registration records of the Trustee on the date of mailing, or (ii) by actual delivery to the Registered Owner or its representatives evidenced by receipt signed by such Owner or the representatives.

(b) Any redemption for which notice is given under Article IV of the Indenture may state that (i) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee or a fiduciary institution acting as escrow agent no later than the redemption date, or (ii) the Authority, on behalf of the Borrower, retains the right to rescind such notice at any time prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described in this subsection. Any such notice of Conditional Redemption may be rescinded at any time prior to the redemption date if the Borrower delivers a written direction to the Trustee directing the Trustee to rescind the redemption notice. The Trustee shall give prompt notice of such rescission to the affected Owners in the same manner as notices of redemption are given hereunder. Any Bonds subject to a Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure by the Borrower to make such funds available shall constitute an Event of Default hereunder. The Trustee shall give prompt notice to the affected Owners that the redemption did not occur and that the Bonds called for redemption and not so paid remain Outstanding.

(c) Notice of redemption having been given as provided in subsection (a) or (b) above and all conditions precedent, if any, specified in such notice having been satisfied, the Bonds or portions thereof so to be redeemed shall become due and payable on the date fixed for redemption at the redemption price specified therein plus any accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such Notice, such Bonds or portions thereof shall be paid at the redemption price, plus any accrued interest to the redemption date. On and after the redemption date (unless funds for the payment of the redemption price and accrued interest shall not have been provided to the Trustee), (i) such Bonds shall cease to bear interest and (ii) such Bonds shall no longer be considered as Outstanding under the Indenture.

Authorization to Purchase Bonds

At the election of the Borrower upon a redemption in whole of the Bonds, if and only if the Borrower obtains a Favorable Opinion of Bond Counsel, by written notice to the Trustee, given not less than forty-five (45) days in advance of the proposed redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and will be purchased by funds provided to the Trustee by the Borrower. The purchase price of Bonds so purchased in lieu of redemption shall be the Optional Redemption Price and shall be payable on the date of redemption

thereof. Bonds so purchased in lieu of redemption shall be registered to or upon the direction of the Borrower.

ESTIMATED SOURCES AND USES OF PROCEEDS OF THE BONDS

<u>Sources of Funds</u>	Series 2014A <u>Bonds</u>	Series 2014B <u>Bonds</u>	<u>Total Bonds</u>
Principal Amount	\$21,000,000	\$3,640,000	\$24,640,000
Total Sources	<u>\$21,000,000</u>	<u>\$3,640,000</u>	<u>\$24,640,000</u>
 <u>Use of Funds*</u>			
Deposit to General Account of the Project Fund	\$16,017,830	\$2,270,397	\$18,288,227
Deposit to Debt Service Reserve Fund	2,100,000	364,000	2,464,000
Refund Refunded Bonds	1,000,000	100,000	1,100,000
Deposit to Capitalized Interest Account	1,462,170	224,078	1,686,248
Deposit to Costs of Issuance Account**		362,175	362,175
Underwriter's Discount	<u>420,000</u>	<u>319,350</u>	<u>739,350</u>
	\$21,000,000	\$3,640,000	\$24,640,000
Total Uses	<u>\$21,000,000</u>	<u>\$3,640,000</u>	<u>\$24,640,000</u>

* References are to Funds and Accounts established under Indenture.

** The Borrower shall be responsible for payment of all costs of issuance in excess of the amounts available from the proceeds of the Bonds

DEBT SERVICE REQUIREMENTS

The following table shows the annual principal and interest requirements on the Bonds.

Year Ending <u>May 1</u>	<u>Series 2014A Bonds</u>			<u>Series 2014B Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,000,000	\$1,232,708	\$2,232,708	\$ 600,000	\$192,743	\$792,743
2016		1,390,000	1,390,000	1,000,000	190,000	1,190,000
2017		1,390,000	1,390,000	2,040,000	127,500	2,167,500
2018	70,000	1,390,000	1,460,000			
2019	95,000	1,385,450	1,480,450			
2020	125,000	1,379,275	1,504,275			
2021	155,000	1,371,150	1,526,150			
2022	185,000	1,361,075	1,546,075			
2023	190,000	1,349,050	1,539,050			
2024	190,000	1,336,700	1,526,700			
2025	190,000	1,324,350	1,514,350			
2026	200,000	1,312,000	1,512,000			
2027	200,000	1,299,000	1,499,000			
2028	200,000	1,286,000	1,486,000			
2029	200,000	1,273,000	1,473,000			
2030	1,140,000	1,260,000	2,400,000			
2031	1,220,000	1,180,200	2,400,200			
2032	1,305,000	1,094,800	2,399,800			
2033	1,400,000	1,003,450	2,403,450			
2034	1,495,000	905,450	2,400,450			
2035	1,600,000	800,800	2,400,800			
2036	1,710,000	688,800	2,398,800			
2037	1,830,000	569,100	2,399,100			
2038	1,960,000	441,000	2,401,000			
2039	2,095,000	303,800	2,398,800			
2040	<u>2,245,000</u>	<u>157,150</u>	<u>2,402,150</u>			
Total	<u>\$21,000,000</u>	<u>\$28,484,308</u>	<u>\$49,484,308</u>	<u>\$3,640,000</u>	<u>\$510,243</u>	<u>\$4,150,243</u>

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

Trust Estate

The Bonds shall be secured by the Trust Estate, which is stated in the Indenture to consist of:

(a) All moneys from time to time paid by the Borrower pursuant to the terms of the Loan Documents and all right, title and interest of the Authority (including, but not limited to, the right to enforce any of the terms thereof) under and pursuant to and subject to the provisions of the Loan Agreement (but excluding the Authority's Unassigned Rights as defined in the Loan Agreement and any payments made by the Borrower to meet the rebate requirements of Section 148(f) of the Code); and

(b) All other moneys and securities from time to time held by the Trustee under the terms of this Indenture, excluding amounts required to be rebated to the United States Treasury under Section 148(f) of the Code, whether or not held in the Rebate Fund; and

(c) The proceeds of refunding bonds of the Authority, if and when issued; and

(d) All right, title and interest of the Authority, if any, in the Security Property;
and

(e) Any and all property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder to the Trustee, which the Trustee is hereby authorized to receive at any and all times and to hold and apply the same subject to the terms of this Indenture.

Pledge of and Security Interest in Gross Revenues

In the Loan Agreement, the Borrower pledges and grants to the Authority a security interest in favor of the Authority in the Gross Revenues, in consideration of the loan and as security for the loan repayments to be made by Borrower under the Loan Agreement and under the Notes for the payment of the Bonds, and as security for the performance of all of the other obligations, agreements and covenants of Borrower to be performed and observed under the Loan Agreement.

“Gross Revenues” means all of the Facility’s revenues, receipts and income, from all sources of whatsoever nature, provided, however, that the term “Gross Revenues” shall not include (i) gifts, grants, bequests, donations and contributions made to the Borrower or the Facility, which are specifically designated at the time of the making thereof by the donor or grantor thereof as being for certain specified purposes which are inconsistent with the application thereof to the payment of the Loan Payments, and (ii) any amounts collected by the Borrower or the Facility that constitute sales taxes or other monies which are required by law to be paid over to any governmental entity.

The primary source of revenues of the Borrower include: (i) funds apportioned to the Borrower from the School Board of Palm Beach County (the “School Board”) in accordance with a statutory formula based on the number of weighted full-time equivalent students (“FTEs”) attending the Facility (the “School Board Revenues”), and (ii) state revenues allocated to the Borrower. Such Revenues are broken down into two primary components, Operating Revenues and Capital Funds, each of which is described below.

Operating Revenues. A charter school may not charge tuition or fees, except those fees normally charged by other public schools. Instead, a charter school receives funding through the sponsor, i.e., the School Board. Students enrolled in a charter school, regardless of sponsorship, are funded in the same manner as students enrolled in other public schools in the school district.

The amount of School Board Revenues available to the Borrower is calculated by (i) dividing (a) the sum of (1) the school district’s operating funds from the Florida Educational Finance Program (“FEFP”), and (2) the school district’s operating funds from the General Appropriations Act, including gross state and local funds, discretionary lottery funds and funds from the school district’s current operating discretionary millage levy, by (b) the total FTEs in the school district, and (ii) multiplying the result by the FTEs for the charter school. See “CERTAIN RISK FACTORS - State Revenues” herein. Total funding for each charter school is subject to recalculation during the year to reflect revised calculations by the State of Florida under the FEFP and the actual full-time equivalent students reported by the charter school during the survey periods designated by the Florida Department of Education (“FDOE”).

Capital Funds. If a charter school serves students in facilities not provided by the charter school's sponsor (such as the Facility), the charter school may be eligible to receive funds appropriated for charter school capital outlay purposes. Section 1002.33, et seq., Florida Statutes requires the FDOE to request in its annual legislative budget capital outlay funding for charter schools based on the projected number of students to be served in all charter schools. A charter school's governing body may use charter school capital outlay funds for any capital outlay purpose that is directly related to the functioning of the charter school, including the purchase of real property; construction, renovation, repair and maintenance of school facilities; purchase, lease-purchase or lease of permanent or relocatable school facilities; or the purchase of vehicles to transport students to and from the charter school or to pay the principal portion of any debt or other obligation, including the Bonds, incurred by the charter school to finance such capital improvements.

Loan Repayments

The Loan Agreement provides that the Borrower shall collect the Gross Revenues and deposit the Gross Revenues into an operating account maintained by the Borrower and requires the Borrower to pay, on or before the 20th day of each month an amount necessary for the payment of the amounts described in (a) through (e) below to the Trustee. The Trustee is required to deposit all monies so received and any other Gross Revenues received by the Trustee into the Revenue Fund. Such monies so received and Gross Revenues received by the Trustee shall be applied by the Trustee, subject to Section 6.07(b) of the Indenture, in the order of priority set forth below:

(a) First, monthly upon receipt, for deposit into the Interest Account of the Debt Service Fund, an amount equal to one-sixth of that portion of the next interest payment coming due on the Bonds;

(b) Second, monthly upon receipt for deposit into the Principal Account of the Debt Service Fund, an amount equal to one-twelfth of the next principal or mandatory sinking fund redemption payment coming due on the Bonds (provided, that through and including April 20, 2015, such amount shall be one-tenth of the next principal or mandatory sinking fund redemption payment coming due on the Bonds);

provided that the Borrower may credit against any such deposits to the Debt Service Fund required pursuant to clauses (a) and (b) above on any date (i) amounts deposited into the Capitalized Interest Account out of the proceeds of the Bonds due to be paid within the next thirty (30) days and any payment due to the Rebate Analyst, (ii) any payments of principal of or interest on the Bonds paid on or immediately preceding such date other than with funds held for the credit of the Debt Service Fund and (iii) any amounts held in the Debt Service Fund as income from the investment of amounts on deposit pursuant to the Indenture;

(c) Third, for deposit into the Rebate Fund, the amount of any rebatable arbitrage pursuant to the Indenture;

(d) Fourth, commencing the month next following the month in which there shall have occurred any transfer from, or decline in value of, the Debt Service Reserve Fund, for deposit into the Debt Service Reserve Fund, an amount equal to one-sixth of the amount needed to restore the balance therein to the Debt Service Reserve Fund Requirement;

(e) Fifth, upon receipt, payment of Additional Payments due to be paid within the next thirty (30) days and any payment due to the Rebate Analyst; and

(f) After the payments in (a), (b), (c), (d) and (e) above have been made, the Trustee shall send to the Borrower any remaining balance in the Revenue Fund to be used by the Borrower to pay Operating Expenses for such month.

Guaranty Agreement

Pursuant to the Guaranty Agreement, the Guarantor will unconditionally and irrevocably guarantee to the Trustee all amounts due or to become due from the Borrower to the Authority under the Loan Agreement and the Notes. See “APPENDIX I – FORM OF GUARANTY AGREEMENT.”

Mortgage and Security Agreement

Pursuant to the Mortgage and Security, the Borrower has agreed to mortgage certain property to the Trustee. See “APPENDIX D — Form of the Mortgage and Security Agreement”.

Additional Bonds

Under the Indenture, no bonds, or other obligations, other than or in addition to the Bonds, may be issued and secured thereunder.

Debt Service Reserve Fund

The Indenture establishes a debt service reserve fund with respect to the Bonds (the “Reserve Fund”). The Debt Service Reserve is to be held by the Trustee in trust in favor of the Holders of the Bonds only, to be applied solely for the purposes specified in the Indenture, and is pledged to secure the payment of principal of, redemption premium, if any, Sinking Fund Installments and interest on the Bonds. The Debt Service Reserve Requirement with respect to the Bonds is \$2,464,000.

THE AUTHORITY

Formation and Governance

In early 2010, both houses of the Wisconsin Legislature passed 2009 Wisconsin Act 205 (the “Act”) which was signed into law by the Governor of the State of Wisconsin (the “State”) on April 21, 2010. The Act added Section 66.0304 (the “Statute”) to the Wisconsin Statutes providing the authority for two or more political subdivisions to create a commission to issue bonds under that Section of the Wisconsin Statutes. Before an agreement for the creation of such a commission could take effect, the Act required that such agreement be submitted to the Attorney General of the State of Wisconsin to determine whether the agreement is in proper form and compatible with the laws of the State. The Authority was formed upon execution of a Joint Powers Agreement dated as of June 30, 2010, as amended by an Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 (as so amended and restated, the “Joint Powers Agreement”), among Adams County, Wisconsin, Bayfield County, Wisconsin, Marathon County, Wisconsin, Waupaca County, Wisconsin and the City of Lancaster, Wisconsin (each a “Member” and, collectively, the “Members”). The Joint Powers Agreement was approved by the Attorney

General on September 30, 2010. The Act provides that only one commission may be formed thereunder.

Pursuant to the Statute, the Authority is a unit of government and a body corporate and politic separate and distinct from, and independent of, the State of Wisconsin and the Members. The Authority was established by local governments, primarily for local governments, for the public purpose of providing local governments a means to efficiently and reliably finance projects that benefit local governments, nonprofit organizations, and other eligible private borrowers in the State and throughout the country.

Powers

Under the Statute, the Authority has all of the powers necessary or convenient to any of the purposes of the Act, including the power to issue bonds, notes or other obligations or refunding obligations to finance or refinance a project, make loans to, lease property from or to enter into agreements with a participant or other entity in connection with financing a project. The proceeds of bonds issued by the Authority may be used for a project in the State of Wisconsin or any other state or territory of the United States and, outside the United States if a participating borrower is incorporated and maintains its principal place of business in, the United States or its territories. The Statute defines “project” as any capital improvement, purchase of receivables, property, assets, commodities, bonds or other revenue streams or related assets, working capital program, or liability or other insurance program, located within or outside of the State.

Local Approvals

Under Subsection (11)(a) of the Statute, financing for all “capital improvement projects” outside the State, requires approval from the governing body or highest-ranking executive or administrator of at least one political subdivision within whose boundaries the capital improvement project is located. The Palm Beach County Board of County Commissioners approved the financing of the Project through the issuance of the Bonds on April 15, 2014.

TEFRA Approvals

Under Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the issuance of the Bonds must be approved by (i) the Authority and (ii) the governing body or an appropriate elected official of the jurisdiction in which the Project to be financed with the proceeds of such Bonds is located, in each case after giving proper notice of and conducting a public hearing at which a reasonable opportunity to be heard is given to persons wishing to express their views on the merits of the Project, its location, the issuance of the Bonds or related matters. Approvals under Code Section 147(f) were granted (i) on behalf of the Authority by an appropriate elected official of Marathon County, Wisconsin after a public hearing held on April 14, 2014, and (ii) Palm Beach County, Florida, following a public hearing held on April 15, 2014.

State Pledge

Subsection (12) of the Statute provides that the State of Wisconsin pledges to and agrees with the Bondholders, and persons that enter into contracts with a commission under the Statute, that the State will not limit, impair, or alter the rights and powers vested in a commission by the Statute before the commission has met and discharged the Bonds and any interest due on the Bonds and has

fully performed its contracts, unless adequate provision is made by law for the protection of the Bondholders or those entering into contracts with the Authority.

Board of Directors

The Board of Directors of the Authority (the “Board”) consists of seven directors (each a “Director” and collectively, the “Directors”), a majority of which are required to be public officials or current or former employees of a political subdivision located in the State. The Directors serve staggered three-year terms. The Directors are selected by majority vote of the Board based upon nomination from the organization that nominated the predecessor Director. Four Directors are nominated by the Wisconsin Counties Association, and one Director is nominated from each of the National League of Cities, the National Association of Counties and the League of Wisconsin Municipalities. Directors and alternate Directors may be removed and replaced at any time by the Board upon recommendation of the applicable organization that nominated such Director. As of the date of this Limited Offering Memorandum there is one vacant Board seat (representing the nominee of the National League of Cities). The current incumbent Directors are:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>	<u>Position</u>
William Kacvinsky	Chair	05/31/15	Bayfield County, Wisconsin, Board Chair
Jerome Wehrle	Vice Chair	05/31/15	Mayor, City of Lancaster, Wisconsin
Heidi Dombrowski	Treasurer	05/31/16	Waupaca County, Wisconsin, Finance Director
John West	Secretary	05/31/16	Adams County, Wisconsin, Supervisor
Del Twidt	Member	05/31/16	Buffalo County, Wisconsin
Michael Gillespie	Member	05/31/17	Former Chair, Madison County, Alabama Board of Commissioners

Special Limited Obligations

THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE. EXCEPT FROM SUCH SOURCE, NONE OF THE AUTHORITY, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF,

PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, THE STATE OF WISCONSIN OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE AUTHORITY, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS OR ANY COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER.

Other Obligations

The Authority has in the past and expects in the future to sell and deliver obligations other than the Bonds, which other obligations are and will be secured by instruments separate and apart from the Bond Agreement and the Bonds. The holders of such obligations of the Authority will have no claim on the security for the Bonds, and the owners of the Bonds will have no claim on the security for such other obligations issued by the Authority.

Limited Involvement

The Authority has not reviewed any feasibility study or other financial analysis of the Project and has not undertaken to review or approve expenditures for the Project, or to obtain any financial statements of the Borrower or the Guarantor.

The Authority has not reviewed this Limited Offering Memorandum and is not responsible for any information contained herein except for the information in this section.

Authority Contact

The Authority may be contacted at: Mr. Scott Carper, Public Finance Authority, c/o the Wisconsin Counties Association, 22 E. Mifflin Street, Suite 900, Madison, Wisconsin, 53703; Phone: (925) 478-4912; e-mail: scarper@pfauthority.org.

Disclosure Regarding Litigation Affecting the Bonds

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Authority seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, the validity or enforceability of the documents executed by the Authority in connection with the Bonds, the completeness or accuracy of this Limited Offering Memorandum or the existence or powers of the Authority relating to the sale of the Bonds.

PALM BEACH MARITIME ACADEMY CHARTER SCHOOL

Palm Beach Maritime Academy currently operates one charter school located on two sites in the Town of Lantana, Palm Beach County, Florida, which consist of Lantana 1 (K-5) located at 1518 W. Lantana Road and Lantana 2 (6-10) at 600 S. East Coast Avenue. SEE "APPENDIX A – CERTAIN INFORMATION REGARDING THE BORROWER AND PALM BEACH MARITIME ACADEMY."

THE BORROWER AND THE GUARANTOR

The Borrower is a Florida non-profit corporation. The Borrower was incorporated on May 20, 1974 under the name Ocean Learning Institute, Inc., and changed its name to Palm Beach Maritime Museum, Inc. on July 7, 1992. The Borrower is a Section 501(c)(3) organization under the Code.

The Guarantor is a Maryland non-profit corporation authorized to do business in Florida. The Guarantor was incorporated on May 31, 1979 under the name American Clipper Trust, Inc., and changed its name to Palm Beach Maritime Foundation, Inc. on May 11, 2011. The Guarantor is a Section 501(c)(3) organization under the Code.

THE CHARTER

Forming a Charter School

Charter schools are public schools that are granted limited autonomy by a school board in exchange for a time-limited “charter” or contract for student achievement. The charter contract serves as the mission statement and contains curriculum guidelines, governance policies and general goals. The character of “charter” legislation varies from state to state. The State of Florida first adopted its charter school legislation in 1996, which now is contained in Chapter 1002.33, et seq., Florida Statutes (the “Charter School Legislation”). Charter schools are considered part of the State’s program of public education and are fully recognized as public schools.

Upon approval of a charter application, the initial startup date must commence with the beginning of the public school calendar for the district in which the charter is granted unless the school district board otherwise permits. The terms and conditions for the operation of a charter school are set forth in a written charter agreement between the governing body of the charter school and the sponsor. The written charter agreement must be agreed upon within six months after approval of the charter application and following a public hearing to ensure community input.

Generally, the initial term of a charter can be for 3, 4 or 5 years. However, in order to facilitate access to long-term financial resources for charter school construction, charter schools operated by a municipality or other public entity as provided by law are eligible for up to a 15-year charter. In addition, charter schools operated by a private, not-for-profit corporation which is exempt from federal income taxation pursuant to Section 501(c)(3) of the Code are eligible for up to a 15-year charter, subject to approval by the district school board. A charter may be renewed every 5 school years, provided that a program review indicates that the goals set forth in the charter contract have been successfully accomplished and that none of the grounds for nonrenewal exist. In order to further facilitate long-term financing, charter schools operating for a minimum of 2 years and demonstrating exemplary academic programming and fiscal management are eligible for a 15-year charter renewal. However, all charters are subject to annual review and may be terminated during the term of the charter for specific good cause.

Borrower’s Charter

The Borrower’s current Charter provides for a term of 15 years commencing with the 2012-2013 school year subject to meeting the renewal requirements described below under the subheading

“Renewal and Termination of the Charter”. The Charter also sets forth the terms and conditions under which the Borrower will operate. During the term of the Charter or any renewal thereof, the School Board or the Borrower’s governing board may terminate the Charter in accordance with the procedures provided therein and specified in the Charter School Legislation. See “THE CHARTER - Renewal and Termination of the Charter” herein.

The Borrower’s Charter covers grades K through 8 with a maximum student enrollment of 1,650 students permitted for such grades. The Borrower was approved by The School District of Palm Beach County to expand its high school curriculum to accommodate approximately 2,000 students. The Borrower is currently in negotiations with the School Board for an additional charter to cover grades 9 through 12. The current draft of such proposed charter (the “High School Charter”) can be found in “APPENDIX G – Charter.” If approved in its current form, the proposed High School Charter would run for a period of 5 years with a maximum student enrollment of 2,125 for grades 9 through 12.

Eligible Students

Charter schools are open to any student covered in an interdistrict agreement or residing in the school district in which the charter school is located. In addition, a charter school may give enrollment preference to a sibling of a student enrolled in the charter school, to the child of a member of the governing board of the charter school, or to a child of an employee of the charter school. The charter school must enroll all eligible students who submit a timely application, unless the number of applicants exceeds the capacity of the program, class, grade level or building. In such a case, all applicants must have an equal chance of being admitted through a random selection process.

A charter school may limit enrollment to target certain student populations including: students within specific age groups or grade levels; students considered at risk of dropping out of school or academic failure; students enrolling in certain charter programs; students residing within a reasonable distance of the charter school (subject to certain racial/ethnic balance provisions); students who meet reasonable academic, artistic, or other eligibility standards established by the charter school and included in its application (subject to certain state law and anti-discrimination provisions); and students articulating from one charter to another pursuant to an articulation agreement between the charter schools which has been approved by the sponsor.

For the past 2013-2014 school year, the Borrower enrolled approximately 1,035 students.

Operation of Charter Schools

In addition to the annual financial audit, the Charter and the Charter School Legislation require the Borrower to submit an annual progress report to the School Board which includes, among other elements: Borrower’s progress towards achieving goals outlined in the Charter; information required in the School Board’s annual report, financial records of the Borrower including all revenue and expenditures; salary and benefit levels of the Borrower’s employees; comparative student performance data; and other information required under the State system of school improvement and educational accountability. The Charter also provides that the Borrower will conduct a program cost report, prepare an annual financial report in the format required by the FDOE and provide such information to the School Board.

Renewal and Termination of the Charter

The Charter School Legislation provides that at any point during and at the end of the term of a charter, the sponsor may choose to terminate or not to renew the charter for any of the following reasons: (i) failure to meet the requirements for student performance stated in the charter; (ii) failure to meet generally accepted standards of fiscal management; (iii) violation of law; and (iv) other good cause shown. The sponsor must provide written notification to the governing body of the charter school at least 90 days prior to not renewing or terminating a charter and the grounds for the proposed action. The governing body of the charter school may request an informal hearing within 14 calendar days after receiving the notice. After receiving a request for an informal hearing, the sponsor must conduct the informal hearing within 30 calendar days. After receiving the sponsor's decision to terminate or refusal to renew the charter, the charter school's governing body may appeal the decision to the FDOE within 14 calendar days. However, a sponsor may terminate a charter immediately if the sponsor determines that good cause has been shown or if the health, safety or welfare of the students is threatened. In such a case, the school district in which the charter school is located shall assume operation of the school. After receiving the sponsor's decision to immediately terminate the charter without a hearing, the charter school's governing body may appeal the decision to the FDOE within 14 calendar days.

Under the terms of the Charter, if the Charter is dissolved, terminated, or not renewed, then all of the charter school's unencumbered funds and property and improvements, furnishings and equipment which were purchased with public funds shall automatically revert to full ownership to the School Board, subject to complete satisfaction of any lawful liens or encumbrance, in accordance with Section 1002.33 Florida Statutes. Any property and improvements, furnishings, and equipment purchased from other funding sources which have not been reimbursed by public funds shall be the property of the charter school if the Charter terminates or is not renewed. Any assets existing at the time of termination or non-renewal of the Charter that have been funded by both public and non-public funds shall be equitably divided between the parties. The charter school shall be responsible for its own debts and obligations and shall not pledge the full faith and credit of the School Board in regard to any debt. The School Board is not responsible for the debt of the Borrower.

THE FACILITY AND THE PROJECT

The Borrower currently operates two charter schools in Palm Beach County - (i) "Lantana 1" at 1518 Lantana Road Lantana, Florida, and (ii) "Lantana 2" at 600 South East Coast Avenue, Lantana Florida (collectively, the "Facility"). The proceeds of the Bonds will be used to provide (1) financing to the Borrower for its acquisition, construction and equipping of the Facility, (2) establish a Reserve Account within the Debt Service Reserve Fund, (3) fund capitalized interest, (4) refund the Refunded Bonds (hereinafter, the "Project") and (5) pay the costs of issuance of the Bonds.

Lantana 1

The Lantana 1 Facility to be acquired is located at 1518 West Lantana Road containing approximately 49,770 square feet of building area situated on a land area of approximately 5.01 acres, consisting of a one-story 38,588 square feet building ("Palm Beach Maritime

Academy”), a 6,636 square foot Dollar General store (“Dollar General”) and a McDonald’s outparcel of 4,546 square feet (“McDonald’s”).

Palm Beach Maritime Academy has been leasing its Lantana 1 Facility space from an unrelated third party for three years. Palm Beach Maritime Academy plans to use the proceeds of the Bonds to purchase the Lantana 1 Facility for a cost of \$8,600,000. The Palm Beach Maritime Academy will continue to operate as a K-5 school in its current facility, while the Dollar General building will be converted and improved into additional classroom space. The McDonald’s will continue to operate as a tenant under a long-term ground lease, but the Borrower does not receive the lease payments.

Lantana 2

The Lantana 2 Facility to be acquired is located at 600 South East Coast Avenue, consisting of three buildings containing approximately 9,070 square feet of building area for building 1, approximately 23,907 square feet of area for building 2 and approximately 7,470 square feet of area for building 3. The Lantana 2 Facility is sited on a land area of approximately 5.01 acres.

Palm Beach Maritime Academy has been leasing its Lantana 2 Facility space from an unrelated third party for one year. Palm Beach Maritime Academy plans to use the proceeds of the Bonds to purchase the Lantana 2 Facility for a total cost of \$8,000,000. \$2,500,000 of the purchase price of Lantana 2 will be used by the seller to finance the construction of a 20,000 square feet addition to the existing improvements for the purpose of adding additional classrooms.

CERTAIN RISK FACTORS

A PURCHASER OF THE BONDS IS SUBJECT TO CERTAIN RISKS. EACH PROSPECTIVE INVESTOR IN THE BONDS IS ENCOURAGED TO READ THIS LIMITED OFFERING MEMORANDUM IN ITS ENTIRETY. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE MARKET PRICE OF THE BONDS TO AN EXTENT THAT CANNOT BE DETERMINED. IN ADDITION, THIS LIMITED OFFERING MEMORANDUM ONLY CONTAINS LIMITED INFORMATION REGARDING THE BONDS AND IS NOT TO BE CONSIDERED A COMPLETE DESCRIPTION OF THE MATTERS NECESSARY FOR THE MAKING OF AN INFORMED INVESTMENT DECISION. ADDITIONAL INFORMATION MAY BE OBTAINED FROM THE BORROWER AT THE ADDRESS SET FORTH UNDER THE CAPTION “INTRODUCTION.”

Debt Service Coverage

The forecasts contained in the Market Feasibility Study for Palm Beach Maritime Academy, Lantana, Florida (the “Feasibility Report”) prepared by Fishkind & Associates, Inc. (the “Feasibility Consultant”) are forward-looking statements based on certain assumptions made by the Feasibility Consultant. As stated in the Feasibility Report, there usually will be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Such a variation could have a material adverse effect on the Borrower’s ability to pay debt service on the Bonds. In addition, the Debt Service Coverage Table covers the years 2015 through 2018, consequently the forecast does not cover the entire period

during which the Bonds may be outstanding. The Borrower assumes no obligation for updating the forecasts.

BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE, NO REPRESENTATION CAN BE MADE THAT THE FORECASTS IN THE FEASIBILITY REPORT WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING, BUT NOT LIMITED TO, INCREASED COSTS, EMPLOYEE RELATIONS, GOVERNMENTAL CONTROLS, CHANGES IN GOVERNMENTAL REGULATIONS APPLICABLE TO CHARTER SCHOOLS, CHANGES IN DEMOGRAPHIC TRENDS AND GENERAL ECONOMIC CONDITIONS.

State Revenues

A large portion of the Borrower's operational funding is derived from the School Board's State revenue sources. A significantly large percentage of such state revenues is generated from the levy of the state sales tax. The amounts budgeted for distribution from the State to the School Board are subject to change in the event that projected revenues are not realized. The State has experienced some significant shortfalls in sales tax revenues in recent years which have resulted in cuts to school budgets. See APPENDIX J – Report of Feasibility Consultant.

Gross Revenues and Enrollment

The amount of Gross Revenues generated by the Borrower and available to pay debt service on the Bonds is dependent upon the number and type of FTEs attending the Borrower's Charter School and the amount of funding available to the Borrower based on such FTEs.

There is no assurance that the Borrower will be able to attract sufficient students or funding sufficient to pay debt service on the Bonds.

Priority of Security, Enforceability of Remedies

The Bonds are payable from the payments to be made under the Loan Agreement. The Bonds are secured by a Mortgage and Security Agreement on the land and building comprising the Facility and an assignment of security interests in the personal property comprising the Facility. A security interest in the gross revenues of the Borrower derived from the Facility has been granted to the Authority pursuant to the Loan Agreement and assigned to the Trustee pursuant to the Indenture.

In addition, the effectiveness of the security interest granted in those receipts may be limited if the proceeds thereof are commingled with other moneys not subject to such security interest and if the Trustee does not take possession of cash constituting such receipts or the proceeds thereof.

The practical realization of value from these properties upon any default will depend upon the exercise of various remedies specified by the Loan Agreement and Indenture. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including particularly the U.S. Bankruptcy Code), the remedies specified by the Loan Agreement and Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Loan Agreement and

Indenture. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Liquidation of Security May Not Be Sufficient in the Event of a Default

Because the Borrower has no significant assets other than its interest in the Facility, the Trustee and the Authority must look solely to the Facility and the other security for the Bonds to pay and satisfy the Bonds in accordance with their terms. The Bondholders are dependent, primarily, upon the success of the Facility and the value of its assets for the payment of the principal, premium, if any, and interest on the Bonds. In the event the revenues from the Facility are insufficient to pay the Bonds, then, after the other security for the Bonds and any other assets of the Borrower have been exhausted, the Bondholders will have no person to pursue for any deficiency which may exist. The exercise of remedies under the Mortgage and Security Agreement will be subject to Permitted Encumbrances.

Termination, Revocation or Non Renewal or of Charter; Pending Approval of High School Charter

In the event the Charter is revoked, terminated or not renewed, the Trustee must look to the Facility to satisfy the Bonds in the event sufficient monies are not available to make scheduled payments on the Bonds. Consequently, as explained above under the subheading "Liquidation of Security May Not Be Sufficient in the Event of Default," the Trustee may not be able to obtain an amount sufficient to satisfy amounts due on the Bonds.

Additionally, as discussed earlier under the caption "THE CHARTER – Borrower's Charter," the School Board has approved the Borrower to expand its high school curriculum to accommodate approximately 2,000 students, and an additional charter to cover grades 9 through 12 is currently pending. Failure to approve the High School Charter would adversely impact the financial projections set forth in the Feasibility Report.

Taxation of Nonprofit Organizations

The Subcommittee on Oversight and Investigation of the Committee on Ways and Means of the U.S. House of Representatives has held public hearings on the issue of unfair competition between nonprofit and for-profit organizations. Similar hearings have been conducted by certain state legislative bodies. These hearings have focused on the need for changes in the law relating to the taxation of nonprofit organizations in connection with revenue producing activities in which they are engaged. In addition, taxing authorities in certain state and local jurisdictions have recently sought to impose or increase taxes related to the properties and operations of nonprofit organizations, particularly where such authorities have been dissatisfied with the amount of service provided to indigent persons. There can be no assurance that future changes in the law, rules, regulations and policies relating to the taxation of nonprofit organizations will not have a material adverse effect upon the revenues of the Borrower.

Possible Changes in the Borrower's Tax Status

The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Borrower of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Borrower, and thereby the revenues of the Borrower. As an exempt organization, the Borrower is subject to a number of requirements affecting its operations. The failure of the Borrower to remain qualified as an exempt organization would affect the funds available to the Borrower for payments under the Loan Agreement. Failure of the Borrower to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as the Facility, could cause interest on the Series 2014A Bonds to be included in the gross income for federal income tax purposes of the Owners or former Owners. The tax exempt status of the Series 2014A Bonds is based on the continued compliance by the Authority and the Borrower with certain covenants contained in the Loan Agreement and Indenture and in certificates executed by the Authority and the Borrower in connection therewith. These covenants relate generally to arbitrage limitations, rebate of certain excess investment earnings to the federal government, restrictions on the amount of issuance costs financed with the proceeds of the Series 2014A Bonds and maintenance of the Borrower's tax exempt status. Failure to comply with any of these covenants may result in the treatment of interest on the Series 2014A Bonds as taxable income to the Owners thereof, retroactive to their date of issuance. See "TAX MATTERS" herein.

Hazardous Materials

A recent sampling of the property indicated that constituents analyzed for groundwater contamination on the Lantana 2 site are below laboratory detectable levels although certain heavy metals were detected. However, no assurance can be given that environmental conditions will not change or in the future exist at either the Lantana 1 or Lantana 2 which could become the subject of enforcement actions by governmental agencies. See "APPENDIX H: Environmental Site Assessment Reports Relative to the Facility."

Other Possible Risk Factors

Regulatory and other changes resulting from the factors mentioned above, among others, or the occurrence of other unanticipated events, could have a material adverse effect on the Borrower's operations.

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Borrower:

- (a) Establishment of mandatory governmental wage, rent or price controls;
- (b) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses;
- (c) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues; and

(d) Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Borrower.

RESTRICTIONS ON OWNERSHIP AND TRANSFER OF BONDS

Each initial purchaser of the Bonds will be required to execute a qualified investor letter in the form attached hereto as Appendix F. THE BONDS ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AND MAY NOT BE TRANSFERRED OR SOLD EXCEPT AS PERMITTED BY THE INDENTURE AND PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. See "FORM OF QUALIFIED INVESTOR LETTER" in Appendix F hereto.

SUITABILITY FOR INVESTMENT

This offering is limited to "qualified institutional buyers." Investment in the Bonds poses certain economic risks. Prospective investors in the Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

TAX MATTERS

SERIES 2014A BONDS

Exclusion of Interest on the Series 2014A Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Series 2014A Bonds in order to assure that interest on the Series 2014A Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority or the Borrower to comply with such requirements may cause interest on the Series 2014A Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2014A Bonds. The Authority and the Borrower have covenanted to comply with the provisions of the Code applicable to the Series 2014A Bonds and have covenanted not to take any action or fail to take any action that would cause the interest on the Series 2014A Bonds to lose the exclusion from gross income under Section 103 of the Code.

Assuming the Authority and the Borrower comply with their covenants with respect to the Code, Greenspoon Marder, P.A., Bond Counsel to the Authority, is of the opinion that, under existing law, interest on the Series 2014A Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Series 2014A Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax.

Exhibit #4

January 29, 2015, Palm Beach Maritime
Academy (PBMA)

Internal Investigative Findings Report

in regards to

Municipal Bond Agreement

with

Hapoalim Securities USA, INC.

BakerHostetler

Baker&Hostetler LLP

SunTrust Center, Suite 2300
200 South Orange Avenue
Orlando, FL 32801-3432

T 407.649.4000
F 407.841.0168
www.bakerlaw.com

Kenneth C. Wright
Direct Dial: 407.649.4001
KWright@bakerlaw.com

January 29, 2015

Mr. Dennis Loudon
Chief Executive Officer
Hapoalim Securities
One Battery Park Plaza, 2nd Floor
New York, NY 10004

Re: PBMA Bond Issuance, Special Committee Preliminary Findings

Dear Mr. Loudon:

As you know, we represent the Board of the Palm Beach Maritime Academy and are working with the Special Committee appointed to investigate this matter and make recommendations to the Board.

Thank you again for traveling to Florida on November 19, 2014 to visit with Mr. Troast and me to discuss how this unfortunate set of circumstances might be most positively addressed.

We appreciate your efforts to date in attempting to bring the committee, the Bondholders and your firm together for collaborative problem solving. However, approximately 100 days have passed and we see little progress while the financial condition of the school deteriorates.

I understand you have provided Mr. Troast with preliminary outlines submitted to the Bond Holders, jettisoning Lantana 2 and refunding its related purchase proceeds, with your firm contributing modestly to the overall economic cost.

Under these options, the school would be asked to cut expenses dramatically and operate going forward at a much smaller capacity than originally contemplated. Dramatic expenditure cuts would negatively impact the school's performance and its ability to pay debt service. We believe you will agree following Mr. Moreno's report that there is little room for expense reductions.

In fact, the engagement of your firm and the feasibility of Lantana 2 and Lantana 1 were predicated on the net proceeds of the entire Bond issuance to capitalize facility expansion, student enrollment expansion, curriculum expansion and faculty expansion, all at lower than pre-issuance occupancy costs.

Atlanta Chicago Cincinnati Cleveland Columbus Costa Mesa Denver
Houston Los Angeles New York Orlando Philadelphia Seattle Washington, DC

As you know, because the Lantana 2 project has not yet closed as described in the FOM, the school has also been paying unanticipated rent under the lease of Lantana 2 as well as debt service on the capital earmarked to acquire it.

The committee is concerned that the severity of the present situation of the school has not been disclosed to your investors and this may be impeding realistic problem solving.

I attach several items of information that seem to most succinctly and accurately reflect the facts. The attached basically suggest that:

1. The purpose of the exercise was to acquire leased facilities with increased capacity at debt service less than the rent that would be approximately \$1.4MM per year;
2. The school asked for and obtained capitalized interest (CI), understanding that this would be applied against the payments until fully depleted. This would have resulted in no interest payments from the School for at least the first year under the 35 year bond payment schedule presented to the Board on June 19th. Furthermore, Mr. Chan represented that the School could utilize the debt service reserve fund (DSRF) without penalty or default to cover required debt service, providing debt service relief until depleted. He maintained this in calls and meetings after the closing as well. The Bond Documents are not consistent with his indications;
3. The Board relied on Mr. Chan as a person of relevant professional and expert competence in debt and finance matters (as it is entitled to do under Florida Statutes 617.0830(2)(b));
4. Mr. Chan appears to have manipulated the financial projections in order to overstate the ability of the school to pay debt service. Even the overstated projections would not cover the final debt service schedule without severe impairment of the viability of the school;
5. The feasibility study with its 35 year amortization schedule was presented at the approving Board Meeting, but the FOM amortization schedules were not;
6. The "final" documents with amortization schedules dramatically different than that approved by the Board were distributed at approximately 5PM on June 24, 2014, with a request for final sign off so signature pages in escrow could be released. The Board was not included on this distribution;
7. On June 25, Messrs. Rashavy, Troast and Shelley pointedly communicated to Mr. Chan and others that the scheduled debt service was dramatically different than described and approved at the Board Meeting;

8. Mr. Grant questioned these differences to Mr. Chan by email, which also reflected his understanding (from Mr. Chan) that the CI and DSRF would be available to cover debt service until depleted;
9. The communication from Mr. Burckart immediately prior to the closing reflected this understanding from Mr. Chan as well;
10. Board approval of these material and substantial changes was not provided (this approval could only have occurred at a board meeting and could not occur by majority response by email. Written consent would have had to be unanimous (certainly not present here), but would have violated the Sunshine laws). While Board approval may not have been legally required, the committee believes that the acts of your firm in transacting the school into terms dramatically different than what was represented to the Board and in the feasibility study will be viewed as an egregious bait-and-switch by a jury, should this case come before one;
11. Lantana 2 is not under contract as described in the final offering memorandum (FOM). It appears that Mr. Chan was a "controlling person" in this matter, acting well beyond the scope of an underwriter's representative. See email from Mr. Chan dated June 16, 2014 providing LOI on Hapoalim letterhead and "Final" PSA that included provisions for the 20,000 square feet in improvements to be borne by ESJ. Mr. Chan also made a commitment from Hapoalim to bear the cost of this expansion to accommodate 1100 students;
12. The preliminary offering memorandum (POM) included a sentence indicating the Lantana 2 contract was not yet finalized. This sentence was removed from the FOM. Mr. Miller informs me that Underwriter Counsel acted as disclosure counsel, so I assume this removal occurred at the direction of Mr. Chan to your counsel; and
13. Mr. Chan, Ms. Aguilar and the owner of Lantana 2 may have been working in concert to perhaps create a false construction agreement, acquire, mark up and bond finance a separate parcel to generate some \$2.5 MM in new funds intended to be used to "address" the Lantana 2 disconnect. The next school would apparently be saddled with \$2.5M of unnecessary debt in order to provide funds bring Lantana 2 to the table and facilitate additional bond financings and underwriting fees in the future. See from Ms. Aguilar to ESJ and Mr. Chan dated May 22, 2014.

As you probably know, a FINRA investigator is contacting persons involved. It does appear that required FINRA oversight was lacking in this case.

The school has also received the attached default notice from the Trustee.

Lantana 1 will require significant budgeted costs from the project fund and effort to renovate it for planned enrollment increase next school year. If those funds are now in jeopardy, then so is

Mr. Dennis Loudon
January 29, 2015
Page 4

the planned expansion of Lantana 1 to accommodate 800 students. Notice and commencement of that endeavor is scheduled for February 2.

Sorry for the above, I intended to be brief. We chose it as a snap shot. Based on the information the committee has seen, there appears to be much more that is consistent with the above, in the event this case goes to discovery.

The school can no longer afford to fund the consequences of these bizarre circumstances and this painfully slow process. Monthly financial reports that show short and long term liabilities are required to be provided to the school district sponsor. The School will be subject to expedited review if determined to be in a deteriorating financial condition based on the debt service payments and amortization schedule—payments and amortization schedule that the Board did not approve. A determination of deteriorating financial condition brings with it potential loss of the School's capital allocations from the District, additional review at the local and state level and negatively impacts the school's reputation. These are just a few additional reasons that time is of the essence.

I understand you asked Mr. Troast to relay to Mr. Shelley that your firm has no fiduciary obligation to the School. My apologies, but it appears there are credible arguments for civil deceit, collusion, fraud, detrimental reliance and intentional tort, among others, on two volunteer boards and their charitable organizations, resulting in toxic debt and substantial fees to your firm.

Under the Federal Securities Laws, the Bond holders may have significant claims against the School due to what appear to be misdeeds of your firm. They probably also have the right to put the Bonds back to your firm as Underwriter.

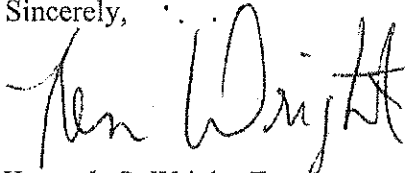
Florida law requires that our report to them be delivered in the sunshine. The special committee is requesting your firm to do the right thing by agreeing to indemnify the school and other harmed parties against the misrepresentations of your employee and put such parties in the financial place they would have been if the misrepresentations had been true. This includes paying the amounts demanded of the school in the default notice and bearing the economic costs associated with this mess, including: restructuring or refinancing to material terms represented to the Board; in the interim, making all the debt service that would be covered by the CI and DSRF as well as all debt service in excess of a 35 year amortization level; the costs of bringing Lantana 2 to the table on the terms described in the FOM and represented by Mr. Chan at the Board meetings; the rent and debt service paid since the closing and all other incremental costs, including those of my firm and other counsel and advisors. This would also include making the Bond holders whole on the terms they agreed. We will be able to then report that the School parties are to get what was represented to them and the Bondholders are to get what was represented to them.

Mr. Dennis Loudon
January 29, 2015
Page 5

Please confirm your firm will do so (as the committee anxiously awaits your reply) and promptly make the necessary arrangements.

A financial report of the school is due to the District tomorrow. Your firm's commitment to fix this mess is an important component of that report.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Wright". The signature is written in a cursive style and is positioned above the typed name.

Kenneth C. Wright, Esq.
Partner

Attachments

Exhibit #5

May 7, 2018, Palm Beach Maritime
Academy/Museum
complaint filed in the
United States District Court, Southern
District of Florida
against
Hapoalim Securities USA, Inc.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

Case No.:

**PALM BEACH MARITIME MUSEUM,
INC.**, a Florida not for profit corporation d/b/a
Palm Beach Maritime Academy,

Plaintiff,

vs.

HAPOALIM SECURITIES USA, INC., a
foreign corporation, **EDWARD CHAN,
PATRICIA AGUIAR, FABIO D'ASCOLA,
and BILL BURCKHART,**

Defendants,

COMPLAINT

Plaintiff, Palm Beach Maritime Museum, Inc. d/b/a Palm Beach Maritime Academy (“Academy”), through undersigned counsel, sues Defendants Hapoalim Securities USA, Inc. (“Hapoalim”), Edward Chan (“Chan”), Patricia Aguiar (“Aguiar”), Fabio D’Ascola (“D’Ascola”) and Bill Burckhart (“Burckhart”), and alleges:

I. SUMMARY OF ACTION

1. Warren Buffett said “banking is a very good business unless you do dumb things.” Unfortunately, as explained in more detail below, Hapoalim, Chan and their co-defendants decided to do dumb things by intentionally misleading the Academy with respect to a \$24 million bond offering (the “Bond”), straddling the Academy with a burdensome debt service obligation while Hapoalim, Chan and the other defendants reaped ill-gotten financial gains.

2. More specifically, in connection with underwriting and convincing the Academy’s board of directors to misguidedly approve the issuance of the Bond, Hapoalim and

Chan, with help from the other defendants, intentionally misrepresented to the Academy the sale and expansion deal Hapoalim and Chan supposedly negotiated with the Academy's landlord ("ESJ") for a property known as Lantana 2.

3. In particular, knowing that the debt service on the Bond would be manageable *only* if the Academy was able to improve the existing space at Lantana 2 to add additional classrooms and students (a pre-condition to the Academy approving the issuance of the Bond), Hapoalim and Chan intentionally and falsely informed the Academy that they had negotiated a deal with Lantana 2's landlord (ESJ) for the benefit of the Academy (the "Lantana 2 Deal"). Pursuant to the purported non-existent Lantana 2 Deal, \$8 million of the Bond proceeds would be used to purchase Lantana 2. In return, the landlord (ESJ) would use \$2.5 million of the \$8 million purchase price to develop 20,000 square feet at Lantana 2 for additional classrooms for the Academy.

4. But, as the Academy recently learned in 2017, Hapoalim, Chan and their co-defendants, intentionally and for financial gain, falsely misrepresented to the Academy the terms of the Lantana 2 Deal. Contrary to Hapoalim and Chan's misrepresentations and *before* the Bond was issued, Lantana 2's landlord (ESJ) informed Hapoalim and Chan in writing that no portion of the \$8 million purchase price would be used to develop or improve Lantana 2.

5. Rather than be truthful with the Academy about the Lantana 2 Deal, Hapoalim and Chan elected to hide the truth about the deal and misrepresent its terms, which resulted in the issuance of the Bond with the unmanageable debt service obligations that resulted in the near closure and near complete financial destruction of the Academy.

6. In fact, Hapoalim and Chan continued their misrepresentations by falsely stating in the Bond that "\$2,500,000 of the purchase price of Lantana 2 will be used by the seller to

finance the construction of a 20,000 square feet addition to the existing improvements for the purpose of adding additional classrooms.”

7. After the Bond was issued, Lantana 2’s landlord (ESJ) rejected the purported Lantana 2 Deal Hapoalim and Chan claimed they had already negotiated for the purchase and development of Lantana 2.

8. But again, rather than do right and inform the Academy that they knew all along that the purported deal for the purchase and development of Lantana 2 never existed and, in fact, that Lantana 2’s landlord had specifically informed them in writing that no portion of the \$8 million purchase price would be used to develop or improve Lantana 2, Hapoalim and Chan blamed Aguiar and John Grant, the Academy’s former CEO, for failing to close on the purported non-existent Lantana 2 Deal.

II. PARTIES, JURISDICTION, AND VENUE

9. Plaintiff Academy is a Florida not-for-profit corporation registered to and doing business in Palm Beach County, Florida.

10. Defendant Hapoalim is a Delaware corporation with a principal place of business in New York. Hapoalim is registered to and doing business in Florida, including in Palm Beach County, Florida.

11. Defendant Chan is an individual and former employee of Hapoalim. Chan is currently a resident of New Jersey, is over the age of eighteen, and is otherwise *sui juris*.

12. Defendant Aguiar is an individual who resides in Palm Beach County, Florida, is over the age of eighteen, and is otherwise *sui juris*.

13. Defendant D’Ascola is an individual who resides in Miami-Dade County, Florida, is over the age of eighteen, and is otherwise *sui juris*.

14. Defendant Burckhart is an individual who resides in Palm Beach County, Florida, is over the age of eighteen, and is otherwise *sui juris*.

15. Jurisdiction in this Court is proper pursuant to 28 U.S.C. § 1331 because this matter is an action arising under the federal securities law.

16. Venue in this Court is proper pursuant to 28 U.S.C. § 1391 because the events giving rise to the cause of action arose in, and the defendants are subject to, jurisdiction in Palm Beach County, Florida.

17. The Academy has complied with all conditions precedent to pursuing this action or said conditions have been waived or have otherwise occurred.

III. FACTUAL ALLEGATIONS

A. HISTORY OF THE ACADEMY

18. The Academy was incorporated in May 20, 1974, under the name Ocean Learning Institute, Inc., and changed its name to Palm Beach Maritime Museum, Inc. on July 7, 1992. On July 28, 1999, the School District of Palm Beach County approved the Academy as a Charter School to educate students in kindergarten through grade eight.

19. The governing body of the Academy is its Board of Directors, which must be comprised of at least three members.

20. At certain times, two of the Academy's board members, Melbourne Smith and John Grant, also served as members of Palm Beach Maritime Foundation, Inc. ("Foundation"), a separate and independent entity. The Foundation was incorporated in Florida on May 12, 2011, for the primary purpose of soliciting donations and developing other funding to support the Academy. The other board members of the Foundation are not affiliated with the Academy.

21. At certain times, John Grant (“Grant”) was the Chief Executive Officer of the Foundation and of the Academy. Both Melbourne Smith and Grant resigned their positions with the Academy in April and June 2014, respectively.

B. THE EXISTING ACADEMY AND GRANT’S DESIRE TO EXPAND TO A LARGER PERMANENT SPACE

22. On or before 2011, the Academy leased spaced in West Palm Beach, Florida for its operations (the “West Palm Beach Lease”). The West Palm Beach Lease expired in May 2014, but the landlord had discussed with the Academy extending the lease on similar favorable terms.

23. In or before 2010, Grant decided to expand the Academy’s operations to a larger permanent space than the space covered by the West Palm Beach Lease.

24. Consequently, in 2010 Grant discussed the possible expansion of the Academy’s operations with the landlord of the West Palm Beach Lease, who agreed to lease to the Academy additional space to be used for the Academy’s expanded school operations.

25. Also in 2010, Grant approached Matthew O’Connor (“O’Connor”), a property developer, to discuss whether O’Connor could develop a larger permanent campus that could be used for the Academy’s existing and expanded school operations. O’Connor informed Grant that he could develop the space required for the Academy’s existing and expanded operations.

26. In 2010, O’Connor located a property (referred to as “Lantana 1”) that satisfied the Academy’s needs, and on or about March 15, 2011, entered into a lease with the Academy for the Lantana 1 space, which was conditioned on O’Connor completing due diligence on and acquiring Lantana 1 for use by the Academy.

27. Importantly, O’Connor agreed that the Academy would not have to pay rent at Lantana 1 until after O’Connor obtained a certificate of occupancy that enabled the Academy to

occupy and use the space for its operations. Also, O'Connor agreed to subsidize the 3 years of lease payments remaining on the West Palm Beach Lease.

I) THE SECRET DEVELOPMENT AND SECRET FUNDING AGREEMENTS

28. Before O'Connor completed the due diligence on Lantana 1, Grant entered into a secret development agreement ("Secret Development Agreement") with Beacon Acquisitions, LLC ("Beacon"), which the Academy discovered in documents the Foundation turned over to the Academy in connection with a settlement reached in the 2015 lawsuit filed by the Foundation.¹

29. Pursuant to the Secret Development Agreement, a copy of which is attached as **Exhibit A**, Grant agreed that the Foundation would purchase from Beacon's affiliate a property in Dania Beach, Florida (the "Dania Property"), which property was a non-performing underwater asset with debt obligations secured by personal guaranties of Beacon's owners and/or investors.

30. Beacon would help Grant and the Foundation acquire funds of at least \$1.5 million, which funds Beacon later provided to the Foundation to purchase the Dania Property. The Foundation eventually lost the Dania Property because it was not able to pay the debt obligations on the property.

31. Beacon imposed onerous obligations on the Academy in the Secret Development Agreement. For example, Beacon required Grant to cause the Academy to obtain a bond, at no cost to Beacon, to repay the funds Beacon provided to the Foundation and to provide an agreed

¹ In 2015, the Foundation filed a lawsuit against the Academy and several of its board members in the 15th Judicial Circuit Court, Palm Beach County, Case No.: 2015-CA-8644 (the "Foundation Lawsuit"). In connection with the Foundation Lawsuit, Grant was required to produce emails and other correspondence regarding the Bond, which emails were maintained only on the Foundation's computers. Grant produced the emails and other documents in 2017. Grant was also required to produce documents he kept at the Foundation, and this production began in December 2016 and continued into 2017.

rate of return to Beacon and its investors that provided the funds to the Foundation. Also, Beacon required Grant to cause the Academy to lease property from Beacon to be used for the Academy's operations at the "*best possible lease terms*" for Beacon and not the Academy.

32. Subsequent to entering into the Secret Development Agreement, Beacon and the Foundation entered into a secret funding agreement ("Secret Funding Agreement"), which was also discovered in documents produced in connection with the settlement of the Foundation Lawsuit. A copy of the Secret Funding Agreement is attached as **Exhibit B**.

33. Pursuant to the Secret Funding Agreement, Beacon, on behalf of the Foundation, would pay \$750,000.00 towards the Foundation's acquisition of the Dania Property from Beacon's affiliate. Also, Beacon would contribute, again on behalf of the Foundation, an additional \$600,000.00, of which \$360,000.00 would be used by the Foundation to pay the closing costs of purchasing the Dania Property from Beacon's affiliate. The remaining \$240,000.00 of the \$600,000.00 (the "Foundation Bribe") was for Grant's personal use.

34. In return, the Foundation assumed the debt obligations of the Dania Property. Also, more significantly, the Foundation assumed the onerous guaranty obligations that were previously held by Beacon's owners and/or investors.

35. After he had secured the Foundation Bribe and had agreed to the terms that were later memorialized in the Secret Funding Agreement, Grant informed O'Connor that (1) he had executed a letter of intent with Beacon for it to do the very thing O'Connor had agreed to do for the Academy -- acquire and develop the Lantana 1 property for the Academy's existing and expanded operations, (2) Beacon offered Grant \$250,000.00 for personal use, which amount was inflated from the \$240,000.00 in the Secret Funding Agreement, and (3) Grant would only continue working with O'Connor if he also agreed to pay Grant \$250,000.00 for his personal use.

36. O'Connor refused to pay Grant the \$250,000.00, which caused Grant to terminate the business relationship with O'Connor.

37. Subsequently, Beacon purchased Lantana 1 and agreed to lease it to the Academy on terms favorable to Beacon until Grant could cause the Academy to secure a bond. Beacon and Grant agreed that the bond proceeds would be used to repay Beacon the monies it advanced the Foundation for the purchase of the Dania Property, to repay Beacon's investors the agreed rate of return, and to purchase Lantana 1 (the "Lantana 1 Bond Plan"), as Grant had agreed to do in the Secret Development and Secret Funding Agreements.

38. Aguiar knew of the Secret Development and Funding Agreements. In fact, she introduced Grant to Beacon, suggested Beacon purchase and lease Lantana 1 to the Academy, represented Beacon in connection with its acquisition of Lantana 1, and executed the Secret Funding Agreement as a witness.

II) TERMINATION OF THE WEST PALM BEACH LEASE

39. Because of the Foundation Bribe and the other obligations secretly placed on the Academy in the Secret Development and Secret Funding Agreements, the Academy also could not continue leasing space from the landlord of the West Palm Beach Lease.

40. Consequently, as he had secretly agreed to do, Grant convinced the Academy's board of directors to cancel the West Palm Beach Lease and to enter into a 20-year lease with Beacon for Lantana 1 ("Lantana 1 Lease ") on June 30, 2011, with the lease term beginning September 2, 2011. The Lantana 1 Lease granted the Academy the right to purchase Lantana 1 for \$6.8 million during the initial four years of the lease, which purchase would occur with the proceeds from the Bond the Academy was required to obtain pursuant to the Secret Development Agreement.

41. Contrary to the obligations and duties he owed to the Academy, Grant never disclosed to the Academy's board of directors (a) the Secret Development Agreement, (b) the Secret Funding Agreement, (c) the Foundation Bribe, (d) that he was obligated to enter into the Lantana 1 Lease because of the Foundation Bribe and other secret terms, (e) that the Lantana 1 Bond Plan was devised in secret by him, Beacon and Aguiar, (f) that he had a financial interest in the Lantana 1 Bond Plan, (g) that he and Aguiar had agreed that he would later convince the Academy's board of directors to retain Aguiar's company to help procure the bond needed to purchase Lantana 1, and (h) that he, Beacon and Aguiar had agreed that he would retain Aguiar to develop a franchise system and expansion program for the Academy.

42. The Lantana 1 Lease was more onerous for the Academy than the West Palm Beach Lease, and as required by the Secret Development Agreement, provided tremendous financial gains to Beacon.

43. For example, the West Palm Beach Lease provided for monthly rent of \$32,000.00, with an annual increase of the greater of 3% or the change in the Consumer Price Index, which had an average increase for the previous decade of 2.4%.

44. Conversely, the Lantana 1 Lease deferred rent in the first year of the lease (September 2, 2011 to September 1, 2012) because the property was being built/converted for use by the Academy as a school. The annual rent in the second year of the Lantana 1 Lease (September 2, 2012 to September 1, 2013) was \$337,500.00, which was comparable to the annual rent of the West Palm Beach Lease. However, the annual rent in the following years of the Lantana 1 Lease increased more significantly than the 3% increase of the West Palm Beach Lease. For instance, in the third year of the Lantana 1 Lease (September 2, 2013 to September 1, 2014), the annual rent was \$495,000.00, a 46.67% increase from the prior year's annual rent of

\$337,500.00. The annual rent in the fourth and fifth years increased to \$630,000.00, a 27.27% increase.

C. THE QUEST TO OBTAIN A RATED BOND FOR THE ACADEMY TO BUY OUT THE ONEROUS LANTANA 1 LEASE

45. After executing the Lantana 1 Lease, and as he, Aguiar and Beacon had secretly agreed he would do, Grant used, *inter alia*, the onerous Lantana 1 Lease obligations to convince the Academy's board that the Academy needed to retain an entity to help the Academy secure a bond to purchase Lantana 1 so that the Academy could free itself of the burdensome Lantana 1 Lease obligations.

46. As a result, on or about November 17, 2011, the Academy entered into a consulting agreement with Educare Project and Development LLC ("Educare"), an entity owned, managed and controlled exclusively by Aguiar.

47. Pursuant to the consulting agreement, Educare would facilitate the issuance of a tax-exempt bond by the Academy. The consulting agreement required the Academy pay to Educare 3% of the total amount of any tax-exempt bonds issued by the Academy.

48. The tax-exempt bond obtained by Educare for the Academy would be used to purchase Lantana 1 at a purchase price that secretly incorporated the repayment obligations Grant agreed to in the Secret Development and Funding Agreements.

49. On or before February 21, 2012, Educare entered into a joint venture with Link-Up Incorporated ("Link-Up") called Edu-Link, LLC ("Edu-Link"). Educare and its principal, Aguiar, however, did not disclose to Link-Up's principal the Foundation Bribe, the Lantana 1 Bond Plan, the Secret Development and Funding Agreements, and that she, Grant and Beacon had secretly agreed that Grant would convince the Academy to retain her company to secure the bond. Instead, Aguiar simply told Link-Up's principal that she had a client that needed

assistance with obtaining a bond and requested that Link-Up's principal, who had experience with bond issuances, assist her client obtain the bond.

50. On February 21, 2012, the Academy and Edu-Link entered into a consulting and support services agreement beginning July 1, 2012 and ending June 30, 2019, pursuant to which Edu-Link would assist the Academy in obtaining a bond and in developing and implementing, *inter alia*, policies, procedures and programs to help the Academy meet the charter contract obligations in the areas of finance, administration, academic operations, compliance with local, state and federal regulations and other matters.

51. On or before October 31, 2012, Link-Up's principal began evaluating various financial services companies to determine which company was best suited to help the Academy underwrite the bond needed to purchase Lantana 1. Hapoalim was *not* one of the companies being considered by Link-Up's principal.

52. However, Aguiar, who knew Hapoalim and Chan, recommend Link-Up's principal use Hapoalim and Chan to issue the bond. Link-Up's principal rejected Aguiar's recommendation because Hapoalim and Chan were not the best company suited to underwrite the bond for the Academy.

53. On October 31, 2012, and based on the recommendation of Link-Up's principal, the Academy and Piper Jaffray entered into an agreement ("Piper Bond Agreement"), pursuant to which Piper Jaffray represented the Academy in connection with obtaining a 30-year *rated* bond of \$10.5 million, which the Academy would use to purchase Lantana 1 and reduce the impending lease obligations. A true and correct copy of the Piper Bond Agreement and the sources and use of bond funds are attached hereto as Composite **Exhibit C**.

54. Grant, as he is required to do pursuant to Florida's Not for Profit Corporation Act (Fla. Stat. §§ 617.01011, *et. seq.*) and the Academy's by-laws, presented the Piper Bond Agreement to the Academy's board of directors for their approval before he executed it.

55. The Piper Bond Agreement provided that it shall "expire when all of the Bonds have been issued", but that "[e]ither party has the right to terminate [the] agreement at any time by specifying the date of termination in a written notice delivered to the other party at least sixty days before the termination date."

D. THE BREACH OF THE WEST PALM BEACH LEASE AND THE RESULTING ECONOMIC STRAIN ON THE ACADEMY

56. On or about September 2012, and pursuant to the Lantana 1 Lease, the Academy moved to Lantana 1. In connection with the move to Lantana 1, the Academy and the landlord of the West Palm Beach Lease agreed to terminate their lease and to sublease the space to a subtenant. However, as a condition of terminating its lease, the West Palm Beach landlord required the Academy sign a promissory note for the portion of the rent not covered by the sublease. Also, the landlord required that the Academy guarantee all rent due under the West Palm Beach Lease in the event of a default by the subtenant.

57. As Murphy's Law dictates, anything that can go wrong will go wrong. During 2013, the subtenant defaulted on the West Palm Beach sublease, which resulted in the landlord suing the Academy and obtaining a judgment of \$658,431 ("West Palm Beach Lease Judgment"). The Academy and the landlord entered into a settlement agreement for \$500,000.00, \$200,000.00 of which was to be paid in a lump sum with the balance being paid in 25 monthly installments of \$12,000 starting July 20, 2013 through July 2015.

E. THE SECRET EVOLUTION OF THE ACADEMY'S RATED BOND OFFERING INTO TWO BONDS, INSTEAD OF ONE BOND

I) THE PLAN TO INCREASE THE BOND OFFERING FROM THE ORIGINAL \$10 MILLION BEING UNDERWRITTEN BY PIPER JAFFRAY

58. Grant was aware of Aguiar's conflict of interest in representing the Academy and Beacon as early as 2010 based on her involvement with the Secret Development and Secret Funding Agreements. At the latest, Grant was aware of Aguiar's conflict of interest in representing the Academy and Beacon by November 2011, when Aguiar emailed Grant Beacon's letter of intent regarding property Beacon hoped to develop for use by the Academy. A copy of Aguiar's email is attached as **Exhibit D**.

59. In a November 2013 email, Aguiar, documenting her conflict of interest, told Grant that Moises Benzaquen, Beacon's managing partner, wanted her involved in any transaction affecting Beacon's interest. A copy of the November 2013 email is attached as **Exhibit E**.

60. During 2013, Aguiar, who had previously orchestrated the Foundation Bribe and the Lantana 1 Bond Deal, orchestrated the sale of a property known as Lantana 2 from Beacon to ESJ Capital Partners, LLC ("ESJ").

61. After orchestrating the sale of Lantana 2, Aguiar approached Grant to discuss the possibility of expanding the Academy's operations. Specifically, Aguiar was interested in franchising the Academy's program and using Lantana 2 and another property known as the Seminole Property as the locations for the Academy's pending high school. The Seminole Property, like the Dania Property, was another non-performing and financially troubled asset Beacon retained Aguiar to help it sell.

62. Aguiar, who was also representing Lantana 2's landlord (ESJ) at the same time her company was representing the Academy, offered to introduce Grant to Lantana 2's new landlord (ESJ) so that they could discuss how best to structure a deal where the Academy would use Lantana 2 for its high school operations.

63. Also, Aguiar and Grant agreed that Grant would secure a larger bond than the one being secured by Piper Jaffray, which larger bond proceeds would be used to acquire Lantana 1 and 2 and the Seminole Property (the "Lantana 1, 2 and Seminole Bond Plan"). The plan was to use the Seminole Property for the Academy's stand-alone high school (Grades 10-12), and to use Lantana 2 for a portion of the Academy's high school (Grade 9).

64. In furtherance of the Lantana 1, 2 and Seminole Bond Plan, and as orchestrated by Aguiar, Aguiar, Grant and Beacon met and secretly discussed the Academy using a portion of proceeds from the bond to also acquire the Seminole Property.

65. Also as part of and in furtherance of the Lantana 1, 2 and Seminole Bond Plan, on or before July 12, 2013, Aguiar, Grant and D'Ascola, the then CFO of Lantana 2's new landlord (ESJ), met and discussed the Academy using Lantana 2 to operate a portion of the Academy's new high school and the financial benefits that would ensue to them if the Academy also purchased Lantana 2.

66. D'Ascola, on behalf of ESJ, agreed to cause ESJ to lease Lantana 2 to the Academy, and to pay the \$200,000.00 lump sum payment the Academy owed pursuant to the West Palm Beach Lease Judgment.

67. Finally, and in furtherance of the Lantana 1, 2 and Seminole Bond Plan, on or before November 2013, Aguiar introduced Grant to Hapoalim and Chan so they could formulate

a secret plan to replace Piper Jaffray with Hapoalim and Chan, who would issue the larger bond needed to purchase Lantana 1 and 2 and the Seminole Property.

68. Again, contrary to his obligations and duties, Grant never disclosed to the Academy's board of directors the secret Lantana 1, 2 and Seminole Bond Plan and the secret meetings he and Aguiar had with Beacon and D'Ascola in furtherance of the plan. Also, he never disclosed Aguiar's conflicts of interest in representing the Academy, Beacon and ESJ.

69. On July 12, 2013 and based on Grant's self-interested recommendations, the Academy signed a 20-year lease for Lantana 2 ("Lantana 2 Lease") commencing August 1, 2013.

70. On or about the same time, the Academy received conditional approval from the School District to operate ninth grade classes at Lantana 2 pending approval by the School District of the Academy's application for a fully operational stand-alone high school.

71. The Lantana 2 Lease, though for less space than the space of the Lantana 1 Lease, was equally onerous for the Academy. For example, annual rent for the first and second year of the Lantana 2 Lease was \$553,955.00, and \$585,955.00, respectively. The annual rent for the comparable two-year period of the Lantana 1 Lease was \$495,000.00 and \$630,000.00, respectively.

72. The West Palm Beach Lease Judgment, coupled with the Academy's lease obligations under the Lantana 1 and Lantana 2 Leases, were an economic strain on the Academy and resulted in an unfavorable financial audit that required the Academy to implement corrective financial measures and to present a recovery plan to the State of Florida.

73. Grant, who created the conditions that lead to the Academy's unfavorable audit, however, used the unfavorable audit to advance the Lantana 1, 2 and Seminole Bond Plan. Specifically, and without disclosing his financial interest in the Lantana 1, 2 and Seminole Bond

Plan to the Academy's board of directors, in December 2013 Grant, as he had agreed with Aguiar to do, recommended that the Academy terminate the Piper Bond Agreement and enter into a new bond agreement with Hapoalim and Chan, pursuant to which Hapoalim and Chan would secure the bond necessary to purchase Lantana 1. During the same meeting, Aguiar recommended the Academy use Hapoalim and Chan to issue a bond to purchase Lantana 2 if the Academy was not able to terminate the Piper Bond Agreement.

74. Remarkably, Grant never disclosed to the Academy's board of directors that he met Hapoalim and Chan through Aguiar and that before November 20, 2013, he began discussing with Hapoalim and Chan their roles in the Lantana 1, 2 and Seminole Bond Plan, including the information they needed to analyze and underwrite the bond necessary to ensure the success of the plan.

75. In fact, Grant never disclosed to the Academy's board of directors that Hapoalim and Chan began analyzing as early as November 2013, *inter alia*, the Lantana 1 Lease, including the appraisal of the property, the Academy's budget for operations at Lantana 1, a draft contract for the expansion of the Academy to the Seminole Property and other related financial information of the Academy.

76. Also, Grant never disclosed to the Academy's board of directors that on January 24, 2014, Hapoalim and Chan prepared a draft \$30 million bond offering for the Academy and shared it via email *only* with Grant (the "Secret Hapoalim Bond"), which non-rated bond would be used to fulfill the secret Lantana 1, 2 and Seminole Bond Plan. Copies of the email and the Secret Hapoalim Bond are attached as Exhibit F.

77. Consistent with the secret Lantana 1, 2 and Seminole Bond Plan, the Secret Hapoalim Bond states in pertinent part that it will be for the projects, defined as:

The Projects will consist of two existing charter schools, **Lantana I** (“**Lantana I**”), which is located at 1518 West Lantana Road, Lantana, Florida (Palm Beach County), **Lantana II** (“**Lantana II**”) which is located at 600 East Coast Avenue, Lantana Florida (Palm Beach County), and one new school, **Seminole Maritime Academy** (“**Seminole**”) at 400 East Lake Mary Boulevard, Sanford, Florida.

78. The Lantana 1, 2 and Seminole Bond Plan, however, began unraveling when Grant and Beacon could not agree on the terms pursuant to which the Academy would lease the Seminole Property, which negotiations began in November 2013 based on the emails Grant produced in 2017. Copies of the emails are attached as **Exhibit G**.

II) REVISING THE SECRET PLAN TO ISSUE TWO BONDS INSTEAD OF ONE BOND

79. But, Grant, Aguiar, Hapoalim and Chan devised a revised plan to save the Lantana 1, 2 and Seminole Bond Plan. Secretly, Grant, Aguiar, Hapoalim, and Chan met with D’Ascola and agreed that instead of using the Seminole Property for the Academy’s stand-alone high school, the Academy would use another property known as Lantana 3, which property Aguiar would help ESJ acquire and lease to the Academy. Then they agreed that instead of Grant convincing the Academy to secure only one bond to be used to purchase Lantana 1 and Lantana 2, he would convince the Academy to secure two separate bonds.

80. **The proceeds from the first bond would be used to purchase Lantana 1 and Lantana 2 and to develop additional space at Lantana 2 to be used by the Academy.** The proceeds from the second bond would be used to purchase Lantana 3 (collectively the “Lantana 1, 2, and 3 Bond Plan”).

81. But, D’Ascola stated that the development of the additional space at Lantana 2 would only occur if several conditions were met. Precisely, ESJ would develop the additional space at Lantana 2 **only** if (1) **it and the Academy entered into a 25-year lease with respect to**

Lantana 3, and (2) the Academy agreed to use Hapoalim and Chan to underwrite the second bond for the Academy's acquisition of Lantana 3 (the "ESJ Development Conditions").

82. The Lantana 1, 2, and 3 Bond Plan would provide, *inter alia*, significant financial benefits for Aguiar, Chan, Hapoalim, Grant, ESJ and D'Ascola.

83. For example, Aguiar, as the sole principal of Educare, would receive a larger fee because of the higher bond amounts. Also, she would receive a commission for successfully causing the sale of Lantana 1, Lantana 2 and Lantana 3 because of her business arrangement with the landlords of the properties (Beacon and ESJ). Finally, as she and Grant had agreed to do in November 2013 (**Exhibit E**), Grant would convince the Academy's board of directors to enter into a 5-year independent marketing and development consultant contract beginning August 2014 with Aguiar and/or a company controlled exclusively by her, which contract Hapoalim and Chan would prepare and finalize for Aguiar ("Aguiar August 2014 Consulting Contract").

84. Grant, who had all intentions of entering into and subsequently entered into a management agreement with the Academy, would receive a higher management fee because of the increased student capacity resulting from the expansion of the Academy.

85. ESJ and D'Ascola would reap the financial gains of being able to sell Lantana 2 and to develop, lease and then sell Lantana 3 to the Academy.

86. Hapoalim and Chan would receive significantly higher fees for underwriting two bonds instead of one bond since their fees are based on a percent of the total amount of the bonds issued.

87. Aguiar boldly, mistakenly and/or foolishly flaunted the Lantana 1, 2 and 3 Bond Plan via emails, one dated May 22 and the other dated May 26, 2014, both of which were discovered in the information Grant produced in connection with the Foundation Lawsuit.

Copies of the emails are attached as **Exhibit H**. Aguiar's May 22 email, when read alone is innocuous. But, when read in conjunction with her May 26 email and other information provided by Grant in connection with the Foundation Lawsuit, illuminates the Lantana 1, 2 and 3 Bond Plan.

88. In her May 22 email, Aguiar notes that the total amount of the two bonds will have to be supported by revenue generated by space based on 60 square feet per student and total space of 110,000.00 square feet. She then explains that the first bond will be used only to purchase Lantana 1 and 2 and to develop 25,000.00 square feet at Lantana 2. She then notes that because the revenue stream generated by the students occupying the additional 25,000.00 square feet at Lantana 2 will be used to support only the first bond's debt obligation and not the second bond's debt obligations, the second bond's debt obligations will have to be supported by the revenue generated by the amount of students occupying only 85,000.00 square feet at Lantana 3. Specifically, she states:

. . . As you know I am calculating 60 square feet per student. It means a total of 110.000 (sic) square feet. However, 25.000 (sic) feet of this construction will be develop (sic) at Lantana 2 and the revenue stream generate (sic) by the students will be allocate (sic) to Lantana 2. Also Hapoalim bank will negotiate a buy out of the new school [Lantana 3] with ESJ for June 2015. Is (sic) the only (sic) we get the bond for Lantana 1 and 2.

It means the new school [Lantana 3] will have to work based in (sic) 85.000, but will carry the costs of 110.000 (sic) square feet. Lets just play with some number basic math: is very simply ***the bond to buy the new school will be based on the same amount as the bond used to buy L1 and L2*** and the number of students will almost (sic) the same therefore it should work.

I will rely on your careful review of the number (sic) and Ed (sic) review of the strategy in the 48 hours to see if the plan will work. If you guys come to the conclusion that it is a GO. ***I will find the land and negotiate a deal with ESJ.*** (Emphasis added)

89. Also in her May 22 email, Aguiar suggests a plan to get the Academy to agree to the ESJ Development Conditions. Specifically, she states that “[w]e believe the only way to accomplish our goals is to have a separate LOI [letter of intent] with ESJ where PBMA [the Academy] gives ESJ the rights to build and deliver by June 2015 their middle and high school in Palm Beach County for 2000 students.”

90. In her May 26 email, Aguiar explains to Grant, Hapoalim and Chan that she met with D’Ascola and they finally figured out the numbers and how to make to make the Lantana 1, 2 and 3 Bond Plan work. For example, she states that “I did work with Fabio and I will be meeting with ESJ tomorrow in the afternoon. As you can see on the attached proforma the deal should work. Basically, ESJ would develop an extra 25,000 SF/400 students at Lantana 2 and allocate the construction costs on a new high school [Lantana 3] for 1400 students.”

91. Thus, Aguiar and D’Ascola had agreed that their plan would work if ESJ hid the construction costs to develop the additional space at Lantana 2 in the construction budget for ESJ to build the new high school (Lantana 3).

92. But, then recognizing the potential complications with the secret Lantana 1, 2 and 3 Bond Plan, Aguiar reminds Grant, Hapoalim, Chan, ESJ and D’Ascola that they have “*a lot of work that needs a lot of coordination*” and warns that she is “*concern[ed] about the ‘usual suspects and how they will behave.[’*”

93. One of Aguiar’s concerns was whether the Academy would be able to terminate the Piper Bond Agreement. Another more pressing concern was whether Grant would be able to convince the Academy’s board of directors to adopt, without knowing its genesis and furtive details, the Lantana 1, 2 and 3 Bond Plan with the ESJ Development Conditions.

III) THE BOARD MEETINGS TO TRY TO CONVINCING THE ACADEMY TO ADOPT THE SECRET PLAN TO ISSUE TWO BONDS INSTEAD OF ONE BOND

94. Grant, however, was convinced that he would be able to convince the Academy's board to adopt the Lantana 1, 2 and 3 Bond Plan with the ESJ Development Conditions, via Melbourne Smith, the then Chairman of the Academy's board of directors.

95. More precisely, and unbeknownst to the remaining Academy's board members, Grant had agreed to pay Melbourne Smith some of the Foundation Bribe in return for Melbourne Smith helping advance the secret Lantana 1, 2 and 3 Bond Plan. Also, Grant promised Melbourne Smith that Grant and the Foundation would secure additional funds, which would be used to support/fund Melbourne Smith's ship building program and to pay him for his role in connection with advancing the secret Lantana 1, 2 and 3 Bond Plan.

96. Predictably, Melbourne Smith never disclosed to the other members of the Academy's board of directors that he was being paid by Grant and the Foundation in return for him helping advance the secret nefarious plans Grant had developed with Aguiar, D'Ascola, Hapoalim and Chan.

97. On February 26, 2014, and at the direction of Melbourne Smith as the Chairman of the Academy's board of directors, the Academy authorized Grant to send a letter to Piper Jaffray terminating the Piper Bond Agreement effective April 26, 2014 (the "Piper Termination Letter"). A copy of the Piper Termination Letter is attached as **Exhibit I**.

A) The April 22, 2014 Board Meeting

98. On April 15, 2014, Grant scheduled an April 22, 2014 special meeting of the Academy's board of directors.

✕ 99. On April 16, 2014, Chan emailed the Hapoalim Engagement Letter dated April 15, 2014 *only* to Grant for him to execute, which he executed without disclosing to, or getting approval to execute from the Academy's board of directors. A copy of Chan's email is attached as **Exhibit J**.

100. On April 22, 2014, the special board meeting was held, which was attended by others and then current board members Melbourne Smith, the Chairman, Burckhart, and Scott Shelley. During that meeting, and as he and Grant had agreed he would do for the promises Grant made to him, Melbourne Smith resigned from the Academy's board to join the Foundation, after which Burckhart became the new chairman of the Academy's board of directors. Also, at Grant's recommendation, Steve Bolin joined the board.

101. With the addition of Steve Bolin, the Academy's entire board of directors was still comprised of persons recommended by Grant, who Grant mistakenly thought he could control and easily convince to go along with the furtive plans he, Aguiar, Hapoalim, Chan, and ESJ via D'Ascola made.

102. However, Grant did not want to leave the Lantana 1, 2 and 3 Bond Plan to chance with the departure of Melbourne Smith as the chairman of the Academy's board of directors. Accordingly, before Melbourne Smith's impending resignation from the Academy's board of directors, Grant explained the Lantana 1, 2, and 3 Bond Plan, including the ESJ Development Conditions, to Burckhart and asked him to help convince the Academy's other board of directors to approve Hapoalim and Chan underwriting two instead of one bond without Grant, Burckhart or anyone else having to disclose the genesis and details of the plan to the Academy's other board members (Scott Shelley and Steve Bolin).

103. During the April 22 meeting, Grant did not inform the Academy's board of directors that he had received and signed the Hapoalim Engagement Letter. In fact, Grant never presented the Hapoalim Engagement Letter, signed or unsigned, to the Academy's board of directors for their approval, as he was required to do pursuant to Florida's Not for Profit Corporation Act (Fla. Stat. §§ 617.01011, *et. seq.*), and as he previously did with the Piper Bond Agreement.

104. Consequently, the Academy's board of directors never consented to the language and terms in the Hapoalim Engagement Letter. The Academy's board of directors only knew what Hapoalim and Chan had agreed to do for the Academy during the meetings—*i.e.*, issue a bond with at least a 30-year maturity that the Academy could use to purchase only Lantana 1 and 2 to alleviate the burdensome lease obligations associated with the properties.

105. Also during the April 22 meeting, Grant stated that Hapoalim and Chan would secure a bridge loan for the Academy of \$1 million and would later underwrite a \$20 million bond for the Academy to be used to purchase Lantana 1 and 2. Grant then stated that the current meeting was to “approve the \$1 million bond and another board meeting will be required for the \$20 million bond.”

106. Chan, who was introduced during the meeting, also confirmed that he and Hapoalim would be underwriting only a \$20 million bond, which would be issued in 4 – 6 months, *i.e.* August to October 2014. He also reiterated that the main purpose of the 20 million bond was for the Academy to purchase *only* Lantana 1 and 2.

107. Grant, Hapoalim and Chan, however, knew that their representations about the amount (\$20 million) and the use of the proceeds (to purchase only Lantana 1 and 2) from the bond were patently false.

108. For example, Hapoalim and Chan had already prepared and shared with Grant in January 2014 the Secret Hapoalim Bond, which was for \$30 million and was to be used to purchase Lantana 1 and 2 and the Seminole Property.

109. Aguiar, Burckhart, and Melbourne Smith, also in attendance at the April 22 meeting, also knew, but chose not to correct Grant, Hapoalim and Chan's patently false misrepresentations about the amount and uses of the proceeds from the bond.

B) The May 28, 2014 Board Meeting

110. During the next board meeting on May 28, 2014, Grant re-introduced Chan as the placement agent for the issuance of a \$22 million bond to be used to purchase only Lantana 1 and 2. When asked by Scott Shelley about the anticipated terms of the now \$22 million bond, Hapoalim and Chan stated that the bond would be amortized over 35 years at approximately 7% interest.

111. Again, Grant did not inform the Academy's board of directors that he, contrary to his authority, had already executed the Hapoalim Engagement Letter. Also, he did not present the Hapoalim Engagement Letter to the Academy's board of directors for their approval.

112. However, Grant noted that he would present to the Academy's board for their approval the purchase and sale agreement pursuant to which the Academy would purchase Lantana 2 from ESJ.

113. As he had agreed to do, Burckhart attempted to lead the discussion to a point where the Academy's board would unwittingly approve the Lantana 1, 2 and 3 Bond Plan with the ESJ Development Conditions. In particular, Burckhart asked about the letter of intent with respect to Lantana 2 (the "Lantana 2 LOI").

114. At that point, Grant introduced D'Ascola of ESJ and asked him to comment about the Lantana 2 LOI. As he had agreed to do in connection with Grant's effort to convince the Academy's board of directors to adopt the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions, D'Ascola stated that ESJ will build additional space at Lantana 2 for the Academy and "a separate site [Lantana 3] for a high school" (the "D'Ascola False Omission").

115. Unsurprisingly, D'Ascola knew, but failed to inform the Academy's board of directors that his statement about ESJ building a separate site (Lantana 3) was not accurate. Specifically, D'Ascola knew, but intentionally failed to also inform the Academy's board of directors that ESJ would build the additional space at Lantana 2, and build Lantana 3 *only if* the Academy agreed to the ESJ Development Conditions.

116. There was no further discussion during the meeting about ESJ building the additional space at Lantana 2 and Lantana 3 for the Academy, or the ESJ Development Conditions.

C) **After the May 28 Meeting and before the June 19, 2014 Board Meeting**

117. On or about June 4, 2014, Hapoalim and Chan had a call with potential investors/purchasers of the Bond. After the meeting, Hapoalim and Chan presented to the Academy's board of directors the information they shared with the potential investors/purchasers of the Bond ("Investor Presentation"). A copy of the Hapoalim Investor Presentation is attached as Exhibit K.

118. The Investor Presentation was consistent with Hapoalim and Chan's representations at the previous board meetings. For example, the Investor Presentation states: (1) that the bond proceeds will be used to acquire *only* Lantana 1 and 2, (2) the bond would be

structured as “*Fixed Rate Term bonds with 35 YR Final Maturity*”, (3) that as part of the sale of Lantana 2 to the Academy, ESJ will use proceeds from the sale to build out space at Lantana 2 for the expansion of the Academy’s high school. The presentation stated that Lantana 2’s sale price is \$8 million, which includes a \$1.5 million building allowance for the high school. The \$1.5 million allowance is a scrivener’s error and should be \$2.5 million as noted in the allegations relating to the June 19, 2014 board meeting.

119. On June 16, 2014, Chan emailed Grant the draft purchase and sale agreement for the purchase of Lantana 2 (“Lantana 2 PSA”), and the Lantana 2 LOI discussed during the May 28 meeting. A copy of Chan’s email with the attached documents is attached as **Exhibit L**. The Lantana 2 LOI, which was prepared on Hapoalim’s letterhead, contained the ESJ Development Conditions and was prepared in connection with Grant and Burkhart’s efforts to convince the Academy’s board of directors to adopt the Lantana 1, 2 and 3 Bond Plan with the ESJ Development Conditions without them knowing the genesis and details of the plan or the roles of those involved in the plan.

120. Grant forwarded the email with the Lantana 2 PSA and LOI to Link-Up’s principal, who upon reading the Lantana 2 LOI with the ESJ Development Conditions, immediately responded and informed Hapoalim and Chan that the development of the additional space at Lantana 2 must be treated as separate transaction and not conditioned on the ESJ Development Conditions, *i.e.* not tied to the future development by ESJ of Lantana 3 or to the Academy entering into a 25-year lease. A copy of the response email is attached as **Exhibit M**.

121. Specifically, Link-Up’s principal stated that:

These two transactions should be treated separately. The school should not enter into an agreement committing itself to any future site expansion it (sic) order to meet the current projections at Lantana 2, when none of the costs are disclosed. The school does not know if it can

and will utilize 120,000 S.F. for the high school. There is no cost estimate in this document for the future expansion. What mechanism will allow the school to negotiate the best over-all price if this is signed now, requiring the school to enter into a future 25-year rent agreement in order to obtain the additional space (total requirement not confirmed) needed to meet the current bond projections at Lantana 2?

For some time, we have been postulating that we should have multiple K-12 campuses, not a single stand-alone high school. There should be some serious discussion of this about the model before making this kind of commitment. (Emphasis added)

122. Subsequently, and as added assurance that the development of the additional space at Lantana 2 would not be conditioned on the development of Lantana 3 and the other ESJ Development Conditions, Link-Up's principal requested that Hapoalim and Chan confirm in writing before the next board meeting that the bond proceeds would be used to purchase only Lantana 1 and 2, and to develop the additional space at Lantana 2, at no additional cost to the Academy.

D) Information Hapoalim and Chan had before the June 19, 2014 Board Meeting and did not disclose at any of the Board Meetings

123. Unbeknownst to the Academy until 2017, as Aguiar, Grant, Hapoalim and Chan had agreed to do in November 2013, Hapoalim and Chan prepared the Aguiar August 2014 Consulting Contract, which Aguiar and Grant executed on June 4, 2015. Copies of the emails and the agreement are attached as **Exhibit N**.

124. More significantly, unbeknownst to the Academy until 2017, before the June 19, 2014 board meeting, D'Ascola became concerned that the Lantana 1, 2 and 3 Bond Plan would not succeed. Specifically, D'Ascola was concerned by Link-Up's principal's (i) email to Hapoalim and Chan stating that the development of the additional space at Lantana 2 must be separate and not conditioned on the ESJ Development Conditions, and (ii) request for Hapoalim and Chan to write a letter confirming that the development of the additional space at Lantana 2

would be covered by the proceeds from the Bond and would be at no additional cost to the Academy.

125. Consequently, on June 18, 2014, D'Ascola emailed Aguiar a letter he requested the Academy's board of directors sign (the "ESJ No Construction Letter"). Aguiar forwarded D'Ascola's email and letter to Grant and Chan. Copies of the email and the letter are attached as **Exhibit O**. The ESJ No Construction letter, required to be signed by all of the Academy's board members, states in pertinent part:

This letter confirms that with respect to the above referenced pending Agreement, the Purchase Price of \$8,000,000.00 (or as otherwise set forth in the Agreement which is finally executed between us), is the Purchase Price for the Property *only, and no portion of the Purchase Price is advance payment or consideration on account of any future Seller obligation, construction related or otherwise.*

* * * *

Buyer acknowledges that this letter is a material inducement for Seller to agree to enter into the Agreement with Buyer to sell the Property [Lantana 2] to Buyer. (Emphasis added)

126. Simply, the ESJ No Construction Letter states, contrary to what the Academy's board members were being told, that no portion of the \$8 million purchase price the Academy pays for Lantana 2 will be used for the development of anything, including the development of the additional space at Lantana 2 that was critical to the Academy's ability to pay the bond's debt payments.

127. More fundamentally, the ESJ No Construction Letter doomed the Lantana 1, 2 and 3 Bond Plan. In particular, without ESJ developing the additional space at Lantana 2, the Academy would not have sufficient space to generate the revenue needed to pay the bond's debt payments and the bond would not be approved.

128. Grant, Aguiar, Hapoalim, Chan and Burckhart, however, came up with a new plan to salvage the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions. Their thinking was simple. Once the Academy issued the bond based on false information, it would be faced with the Hobson's choice of (i) agreeing to the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions, or (ii) not agreeing to the plan and risk final ruin.

129. Based on information produced by Grant in 2017 in connection with the Foundation Lawsuit, first they decided to egregiously and intentionally misrepresent to the Academy's board of directors that ESJ, contrary to the ESJ No Construction Letter, will sell Lantana 2 to the Academy for \$8 million and will use \$2.5 million of the \$8 million purchase price to develop the additional space at Lantana 2. Second, they hid from the Academy's board of directors the agreement to purchase Lantana 2 from ESJ, which clearly did not allocate \$2.5 million of the \$8 million purchase price for the development of the additional space at Lantana 2. Third, they moved the issue date of the bond from between August to October 2014 to June 2014, and issued the bond without resolving open questions posed by the Academy's board of directors and Link-Up's principal about the changes to the bond's amortization schedule that increased the Academy's debt obligations and made them completely unmanageable. Fourth, they intentionally misrepresented the terms of the purported development agreement they were negotiating with ESJ for it to develop the additional space at Lantana 2. Finally, to mask their involvement in the plan, they agreed to blame D'Ascola and ESJ if the plan failed and they were not able to convince the Academy's board of directors to adopt the Lantana 1, 2, and 3 Bond plan with the ESJ Development Conditions, which Development Conditions they needed in hand to be able to convince D'Ascola, who had removed himself from the plan, to rejoin the plan and

cause ESJ to allocate \$2.5 million of the \$8 million purchase price of Lantana 2 for the development of the additional space at Lantana 2 (the “Misrepresent and Salvage Plan”).

IV) ACTS DONE IN FURTHERANCE OF THE MISREPRESENT AND SALVAGE PLAN

A) FIRST PHASE – MAKE FALSE MISREPRESENTATIONS TO THE ACADEMY’S BOARD OF DIRECTORS DURING THE JUNE 19 2014 BOARD MEETING.

130. Grant, Hapoalim and Chan attended the next board meeting that occurred on June 19, 2014. Not surprisingly, Grant, Hapoalim and Chan did not present the ESJ No Construction Letter to the Academy’s board of directors.

131. Instead and despite knowing the contents of the ESJ No Construction Letter, Hapoalim and Chan, as requested by Link-Up’s principal, presented a letter dated June 19, 2014 (“Hapoalim Bond Use Letter”) stating that the proceeds from the bond will be used *only* for the purchase of Lantana 1, Lantana 2, and the development of additional space at Lantana 2 at no additional cost to the Academy. A copy of the letter is attached as **Exhibit P**.

132. Specifically, the Hapoalim Bond Use Letter States:

As stated in the current bond offering documents, the proceeds of the Series 2014 Bonds will be utilized for the acquisition of Lantana 1, the acquisition of Lantana 2, and the build-out of an additional facility for a total capacity of 1,100 students by Lantana 2’s seller, *at no additional cost to [the Academy]*. (Emphasis added).

133. At no point during the meeting did Grant, Hapoalim, Chan, and Burckhart, who learned of the ESJ No Construction Letter from Grant, inform the Academy’s board members that none of the \$8 million purchase price for Lantana 2 would be used to develop the additional space at Lantana 2.

134. Furthermore, at no point before, during, or after the meeting, did Grant, Hapoalim, Chan, and Burckhart, inform the Academy's board of directors of the newly minted Misrepresent and Salvage Plan.

135. In fact, contrary to the ESJ No Construction Letter, Hapoalim and Chan stated, *inter alia*, that (1) \$2.5 million of the \$8 million purchase price for Lantana 2 will be placed in escrow to be used for the development of the additional space at Lantana 2, (2) the purchase and development of the Lantana 2 site for \$8 million is a stand alone project and is not related nor conditioned on the development of Lantana 3 or the ESJ Development Conditions, (3) the terms for the development of the additional space at Lantana 2 will be in a separate development agreement relating *only* to the development of the additional space at Lantana 2, (4) the Academy would be able to satisfy its bond payment and other obligations under a no-growth scenario – *i.e.* based on the number of students at only Lantana 1 and 2 and the additional space developed at Lantana 2, (5) the debt service obligations of the bond would not exceed the Academy's lease obligations under the Lantana 1 and Lantana 2 Leases, (6) the bond would have a 35-year maturity, and (7) the Academy's payment obligations under the bond would be amortized over the bond's 35-year maturity period (collectively with the statements in the Hapoalim Bond Letter the "Intentional False Bond Statements").

136. Grant and Burckhart were fully aware that the Intentional False Bond Statements were patently false and were simply being made by Hapoalim and Chan in order to convince the Academy's board of directors to approve the Bond, thereby putting the Academy in the precarious position of having to accept the Lantana 1, 2 and 3 Bond Plan or face final ruin.

137. But, rather than advise the Academy's board of directors that the statements were false, Grant and Burckhart remained opportunistically quiet.

138. Aguiar, who did not attend the meeting, was also fully aware of the Intentional False Bond Statements and that Hapoalim and Chan would make them during the board meeting. Despite her obligations to the Academy via, *inter alia*, the Academy retaining Edu-Care, Aguiar never informed the Academy's board of directors that the Intentional False Bond Statements were patently false. She, like Grant and Burekhart, also remained opportunistically quiet.

139. Also, during and after the June 19 meeting and before the bond was issued, Hapoalim and Chan presented the Academy's board of directors a market feasibility study prepared by Fishkind & Associates, Inc. ("Fishkind"), an entity retained by Hapoalim and Chan, which showed that the Academy could only financially pay approximately \$6 million of debt obligation payments from 2015-2018 without defaulting under the bond. A copy of the debt service portion of the Fishkind Report is attached as **Exhibit Q**.

140. Also, during and after the June 19 meeting and before the bond was issued, Hapoalim and Chan presented the Academy's board of directors their analysis of the Academy's bond payment obligations over the *35-year maturity period* compared to the onerous lease obligations under the Lantana 1 and 2 leases. ("Bond vs. Lease Analysis"). A copy of the Bond vs. Lease Analysis is attached as **Exhibit R**.

141. Not surprisingly, the total Academy's debt obligation payments under the Fishkind Report and the Bond v. Lease Analysis were substantially similar, as shown in the below table:

Year	Fishkind Report	Bond vs. Lease Analysis
2015	939,832.00	1,583,755.00
2016	1,598,900.00	1,583,755.00
2017	1,861,550.00	1,583,755.00
2018	1,859,950.00	1,583,755.00
Total	6,260,232.00	6,335,020.00

142. Also during the June 19 meeting, Hapoalim and Chan, as they had agreed to do in connection with the Misrepresent and Salvage Plan, attempted to raise for discussion the Academy engaging ESJ to build Lantana 3 to be used for the Academy's stand alone high school.

143. The Academy's board of directors, however, refused to discuss the matter and specifically stated that the topic was not relevant. Furthermore, the Academy's board of directors requested that Hapoalim and Chan rescind the Lantana 2 LOI and confirm again that the build out of the additional space at Lantana 2 was not conditioned on the Academy building a stand-alone high school or anything else.

144. Based on Hapoalim and Chan's representations, *i.e.* the Intentional False Bond Statements, and the information they presented during the June 19 board meeting, *i.e.* the Hapoalim Bond Letter, the Fishkind Report and the Bond v. Lease Analysis, the Academy's board of directors authorized the issuance of the Bond totaling \$24,640,000.

145. As an added safety net to their Misrepresent and Salvage Plan, and as agreed between Grant, Hapoalim, Chan, Aguiar, and Burckhart, Burckhart and Grant, without fully disclosing to the Academy's other board member the genesis and details of the Misrepresent and Salvage Plan, included in the resolution approving the bond ("Bond Resolution") language they could use to make necessary changes to ensure the success of the Misrepresent and Salvage Plan without further approval by the Academy's board of directors.

146. More specifically, the Bond Resolution, a copy of which is attached as **Exhibit S**, states in pertinent part that Grant and Burckhart are authorized to execute the bond documents "in substantially the form presented at this meeting with *such changes, modifications, deletions and insertions as the persons executing said documents on behalf of the Borrower may deem*

necessary and appropriate, such execution and delivery to be conclusive evidence of the approval thereof by the Borrower, and such other documents which may be necessary or convenient to the same[.]”

147. It was not until 2017, after they obtained the ESJ No Construction Letter and other information from Grant via the Foundation Lawsuit, that the Academy’s board of directors learned they were fraudulently induced into approving, and the true motivation for, the above language in the Bond Resolution –*i.e.*, that the language was incorporated to help ensure the success of the Misrepresent and Salvage Plan.

148. In particular, Grant and Burckhart would be able to use the Bond Resolution to approve the bond without having to resolve open questions about the bond posed by the Academy’s board of directors or others, as was done once the bond was issued.

B) SECOND PHASE – HIDE THE EXECUTED REVISED LANTANA 2 PURCHASE/SALE AGREEMENT FROM THE ACADEMY’S BOARD OF DIRECTORS

149. On or before the June 19 board meeting, Grant executed a revised version of the Lantana 2 PSA (“Revised Lantana 2 PSA”) that Grant first produced to the Academy in 2017 in connection with the Foundation Lawsuit.

150. ESJ executed the Revised Lantana 2 PSA on or after June 19, 2014. On June 23, 2014, Hapoalim and Chan emailed the fully executed Revised Lantana 2 PSA to Grant. A copy of the email with the executed revised Lantana 2 PSA is attached as **Exhibit T**.

151. The Revised Lantana 2 PSA, which Grant, Hapoalim and Chan had before, but did not present to the Academy’s board of directors at the June 19 meeting, is significantly different from the Lantana 2 PSA presented to the Academy’s board of directors before the June 19 meeting.

152. Critically, the Revised Lantana 2 PSA is materially inconsistent with the representations Grant, Hapoalim and Chan made during the June 19 meeting about ESJ allocating and putting in escrow \$2.5 million of Lantana 2's \$8 million purchase price to be used for the development of the additional space at Lantana 2.

153. In fact, the Revised Lantana 2 PSA ignores the fact that the development of the additional space at Lantana 2 was an existing requirement and material condition of the Academy's board of directors approving the increased bond amount, which increased amount would be used to purchase Lantana 2 on the condition that \$2.5 million of the \$8 million purchase price would be used to develop the additional space at Lantana 2. Furthermore, it omits the requirement that ESJ allocate the \$2.5 million of the purchase price for the development of the additional space at Lantana 2.

154. Specifically, the Revised Lantana 2 PSA states that "to the extent [the Academy] *in the future* wishes to develop a 20,000 sqft high school addition to the [Lantana 2] . . . then [ESJ] and [the Academy] agree to negotiate in good faith toward a mutually agreeable construction agreement with respect thereto." (Emphasis added).

C) THIRD PHASE – ACCELERATE THE BOND ISSUANCE DATE, CHANGE THE AMORTIZATION SCHEDULE, AND ISSUE THE BOND WITHOUT THE BOARD'S APPROVAL AND WITHOUT RESOLVING THE BOARD'S OPEN QUESTIONS

155. Significantly, before the June 24, 2014 board meeting adjourned at 5:00 pm, Grant and Burckhart knew, but did not disclose to the Academy's board of directors that Hapoalim and Chan were preparing to issue the bond within the next two days (June 26, 2014).

156. During the June 24 meeting, the final bond documents were forwarded to bond counsel, Grant and Link-Up's principal, who upon reviewing the email the next day (June 25)

was surprised to know the bond was closing shortly, and immediately forwarded the final bond documents to the Academy's board of directors.

157. Link-Up's principal also noted that the final debt service amortization tables were not included in the final bond documents he received. He attempted, but was not able to reach bond counsel that sent the bond documents, and also contacted another bond counsel, who also did not see the final debt service amortization tables.

158. After finally receiving and reviewing the final debt service amortization schedules, Link-Up's principal noticed that the debt service obligations in the final bond documents were not consistent with Hapoalim and Chan's representations at the June 19 board meeting, *i.e.* the final debt service was approximately \$4 million more in the first four years compared to Hapoalim and Chan's Bond vs. Lease Analysis and the Fishkind Report. The following table is illustrative:

Year	Fishkind Report	Bond vs. Lease Analysis	Final Amortization
2015	939,832.00	1,583,755.00	3,025,451.00
2016	1,598,900.00	1,583,755.00	2,580,000.00
2017	1,861,550.00	1,583,755.00	3,557,500.00
2018	1,859,950.00	1,583,755.00	1,460,000.00
Total	6,260,232.00	6,335,020.00	10,622,951.00

159. Link-Up's principal emailed the Academy's board of directors, Grant, Hapoalim and Chan about the inconsistency and requested that Hapoalim and Chan provide an explanation for the significant change in the final debt service amortization schedule.

160. Scott Shelley, one member of the Academy's board of directors, also emailed Grant to express concern about the fact that the final debt service obligations in the final bond documents were not consistent with Hapoalim and Chan's representations at the June 19 board meeting, reiterated that the debt service obligations must coincide with what was represented by Hapoalim and Chan and must work financially with the Academy's budget and enrollment, and

requested that Grant raise the issue with Burckhart, as the chairman of the board, so it could be addressed and resolved.

161. Shortly after receiving the emails from Link-Up's principal and Scott Shelley, Grant emailed Hapoalim and Chan pretending he was interested in understating the inconsistency with the final debt service amortization schedule. Specifically, in his email, a copy of which is attached as **Exhibit U** Grant states:

Eddie:

Bill Burckhart and I met with Skip Miller yesterday in his office for the pre-closing to sign all pertinent documents on behalf of the Museum and Foundation respectively, in accordance with the direction of our respective boards.

Subsequently, that day I was advised that the final amortization schedule as presented by you in emails to Gary Troast, Dan Rishavy and Scott Shelley would not be compatible or meet the needs or our projections and potentially put us in a default position in the third year of our new operation. This would occur because of the requirement in the first 4 years to pay a substantial part of the principal loan.

Please advise.

162. Hapoalim and Chan, as they had previously agreed with Grant to do, did not respond to any of the emails. After being reached via phone by Link-Up's principal, however, Hapoalim and Chan assured Link-Up's principal that the Academy would be able to use certain bond proceeds to cover the increased debt service obligation. Link-Up's principal immediately memorialized the conversation via an email to the Academy's board of directors and Chan (Exhibit M).

163. Shortly thereafter (less than 15 minutes), Grant's assistant, using his foundation email and at Grant's and/or Burckhart's direction, sent an email at 11:22 am on June 26 to the Academy's board of directors, Link-Up's principal, and others, stating that Burckhart will

address all questions related to the bond to avoid any confusion. A copy of the email, which is noticeably missing from the Foundation's 2017 production, is attached as **Exhibit V**.

164. Neither Burckhart nor Grant, however, addressed any of the concerns about the inconsistent debt service amortization schedules. Instead, as they had previously agreed to do in furtherance of the Misrepresent and Salvage Plan, and pursuant to the fraudulently induced authority granted to them by the Bond Resolution, Burckhart and Grant signed the final bond documents at 11:58 a.m., 36 minutes after the email stating that Burckhart will address all questions, without actually addressing a single question about the bond's revised amortization schedule.

165. The final bond documents continued the false narrative -- that ESJ would use \$2.5 million of the \$8 million Lantana 2 purchase to develop the additional space at Lantana 2 for the Academy. Specifically, the final bond memorandum, which was prepared by Hapoalim and Chan and is part of the Bond, states:

Palm Beach Maritime Academy has been leasing its Lantana 2 Facility space from an unrelated third party for one year. Palm Beach Maritime Academy plans to use the proceeds of the Bonds to purchase the Lantana 2 Facility for a *total cost of \$8,000,000. \$2,500,000 of the purchase price of Lantana 2 will be used by the seller to finance the construction of a 20,000 square feet addition to the existing improvements for the purpose of adding additional classrooms.* (Emphasis added)

D) FOURTH PHASE – MISREPRESENT THE TERMS OF THE DEVELOPMENT AGREEMENT BEING NEGOTIATED WITH ESJ FOR THE ADDITIONAL SPACE AT LANTANA 2.

166. Now that they had managed to forcibly straddle the Academy with an insurmountable bond debt service obligation they knew the Academy could not pay without the development of and the students at the additional space at Lantana 2, Grant, Hapoalim, Chan, and Burckhart, continued the Misrepresent and Salvage Plan.

167. In particular, they decided to misrepresent the terms of the purported development agreement that Hapoalim and Chan were negotiating with ESJ for the development of the additional space at Lantana 2 until they could finally force the Academy's board of directors to adopt, without knowing the underlying genesis of the nefarious scheme and details, the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions, *i.e.* ESJ, pursuant to the ESJ Development Conditions, develops Lantana 3, financed via a second bond issued by Hapoalim and Chan, and buries the costs to develop the additional space at Lantana 2 into the Lantana 3 construction budget ("ESJ Development Agreement").

168. For example, on August 4, 2014, Hapoalim and Chan emailed Grant the ESJ Development Agreement they purportedly negotiated with D'Ascola. Hapoalim and Chan warned Grant that the ESJ Development Agreement was "for your eyes only" and that he was not to share it. A copy of the email and attachment is attached as **Exhibit W**.

169. The ESJ Development Agreement for Grant's eyes only provided that the development of the additional space at Lantana 2 is conditioned on the Academy using ESJ to develop Lantana 3, which would eventually be purchased by the Academy with proceeds from a second bond Hapoalim and Chan would issue for the Academy.

170. On the morning of August 8, 2014, the day of the next board meeting, Hapoalim and Chan emailed Wally Baldwin, the Foundation's counsel, a version of the ESJ Development Agreement that removed the dollar amounts contained in the Grant's "eyes only" version of the agreement provided by Hapoalim and Chan.

171. Hapoalim and Chan informed Wally Baldwin that they were still negotiating the terms of the ESJ Development Agreement and requested he "not contact the Seller or Seller's

attorney about this since we are not final on terms yet. I have shared this with Skip Miller also.”

A copy of the email and attachment is attached as **Exhibit X**.

172. During the August 8, 2014 board meeting, neither the version of the ESJ Development Agreement Hapoalim and Chan provided to Grant for his “eyes only”, nor the version of the agreement Chan presented to Wally Baldwin, were shared with the Academy’s board of directors.

173. During the August 8 board meeting, and in complete and utter disregard for the Academy’s board of directors and their previous rejection of the ESJ Development Conditions, Grant, Hapoalim and Chan falsely claimed that the Academy’s board of directors had previously agreed to the ESJ Development Conditions and to Hapoalim and Chan underwriting a second bond to be used for the development of Lantana 3.

174. Burckhart, in connection with the Misrepresent and Salvage Plan, tried to support Grant, Hapoalim and Chan, but the remaining independent members of the Academy’s board of directors (Scott Shelley and Steve Bolin) rejected Grant, Hapoalim, Chan, and Burckhart’s claim that the board had previously agreed to the ESJ Development Conditions and to Hapoalim and Chan issuing a second bond to be used for the development of Lantana 3.

175. As a result of the Academy’s board of directors’ continued rejection of the ESJ Development Conditions, Grant, Hapoalim and Chan did not present the Academy’s board of directors the ESJ Development Agreement that Hapoalim and Chan sent to Grant for his eyes only, or the modified ESJ Development Agreement that Hapoalim and Chan emailed to Wally Baldwin.

176. Instead, Grant, Hapoalim and Chan repeated their previous false misrepresentations that (1) ESJ would put into escrow \$2.5 million of Lantana 2’s \$8 million

purchase price for the development of the additional space at Lantana 2, (2) the development of the additional space at Lantana 2 is not conditioned on the development of the high school at Lantana 3 and the development of Lantana 3 is a separate and independent transaction, (3) the Academy was not required to use ESJ to develop the Academy's stand alone high school and could use other developers and evaluate other locations, and (4) the development of Lantana 3 by ESJ was not holding up ESJ's development of the additional space at Lantana 2.

177. Burckhart, who was also aware of the contents of the versions of the ESJ Development Agreements that Hapoalim and Chan presented to Grant for his eyes only and to Wally Baldwin, and that the agreements contradicted Grant, Hapoalim and Chan's continued false misrepresentations, also failed to disclose or mention the development agreements. Instead, he stated that he was working on (1) getting the escrow agreement finalized pursuant to which ESJ would put in escrow \$2.5 million of Lantana 2's \$8 million purchase price for the development of the additional space at Lantana 2, and (2) extending the closing date for the Academy to purchase Lantana 2.

178. Scott Shelley expressed concerns with Hapoalim and Chan representing the Academy with the bond and with negotiating the ESJ Development Agreement.

179. Consequently, Grant recommend the Academy's board of directors appoint Gary Troast, on behalf of the Foundation, and Burckhart, on behalf of the Academy, to continue negotiating the ESJ Development Agreement. The Academy's other independent board of director members, who were not aware of Burckhart's role in the scheme, unwittingly agreed with Grant's recommendation.

E) FIFTH PHASE – BLAME D’ASCOLA FOR ESJ’S REFUSAL TO PUT IN ESCROW ANY PORTION OF THE \$8 MILLION PURCHASE PRICE FOR LANTANA 2

180. On or before the September 8, 2014 board meeting, Grant, Burckhart and Gary Troast met with ESJ regarding the ESJ Development Agreement. On September 8, 2014, they provided an update of their meeting with ESJ.

181. Specifically, they informed the Academy’s board of directors that ESJ, consistent with the undisclosed ESJ No Construction Letter, agreed that it would sell Lantana 2 to the Academy for \$8 million but *would not* allocate any of the \$8 million for the development of the additional space at Lantana 2.

182. Simply put, ESJ’s refusal to allocate any of the \$8 million for the development of the additional space at Lantana 2 doomed the Misrepresent and Salvage Plan.

183. But, rather than admit their plan was doomed and confess to the Academy’s board of directors that Grant, Hapoalim, Chan, Burckhart, D’Ascola and Aguiar had intentionally conned the Academy’s board of directors all along, and that they already knew based on the ESJ No Construction Letter that ESJ never intended to allocate any portion of the purchase price of Lantana 2 for the development of the additional space at Lantana 2, Grant and Burckhart blamed D’Ascola for ESJ’s refusal to sell and develop the additional space at Lantana 2.

184. In particular, they claimed that D’Ascola never communicated to, and obtained consent from, ESJ’s managing director to the terms for the sale and development of Lantana 2.

185. At no point did Grant or Burckhart admit their roles or the roles of Aguiar, Hapoalim, Chan and D’Ascola in the elaborately fraudulent scheme they laid and their attempt to salvage it, *i.e.* the Misrepresent and Salvage Plan, after the ESJ No Construction Letter doomed it.

186. Hapoalim and Chan also refused to admit their roles in the elaborately fraudulent scheme and that, based on the ESJ No Construction Letter, they knew, but intentionally did not inform the Academy's board of directors, that ESJ never agreed to sell Lantana 2 to the Academy for \$8 million and to allocate \$2.5 million of the sale price for the development of the additional space at Lantana 2.

187. In fact, Hapoalim and Chan blamed the Academy's failure to acquire and develop the additional space at Lantana 2 on Grant and Aguiar. A copy of the letter is attached as **Exhibit Y**.

188. Specifically, in the letter, Hapoalim and Chan state "[i]n spite of your apparent allegation that Mr. Chan negotiated a fraudulent transaction with ESJ, the owner of the Lantana 2 property, it was Mr. John C. Grant (the, President of the Academy), and Ms. Patricia Aguiar (Managing Member of Edu-Link, the then contractual manager of the Academy) who led and directed negotiations with ESJ."

**COUNT 1 – SECURITIES FRAUD - § 10(B) OF SECURITIES ACT OF 1934
(AGAINST HAPOALIM AND CHAN)**

189. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

190. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Hapoalim and Chan made several significant and material false statements of facts and material omissions.

191. Specifically, before, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the Bond, Hapoalim and Chan made the Intentional False Bond Statements to the Academy's board of

directors, which the Academy's board of directors reasonably and justifiably relied on to approve the bond issuance.

192. Also, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the bond, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which provided, contrary to Hapoalim and Chan's representations, that ESJ would not allocate any portion of the purchase price for Lantana 2 for the development of the additional space at Lantana 2, which additional space was crucial to the Academy's ability to generate the revenue needed to satisfy its debt service obligations under the bond.

193. Hapoalim and Chan never shared the ESJ No Construction Letter with the Academy. Instead, they decided to keep it secret and to continue conniving the Academy by making other intentional false misrepresentations or omissions in connection with the Misrepresent and Salvage Plan.

194. For example, in addition to hiding the ESJ No Construction Letter, they also hid from the Academy's board of directors the Revised Lantana 2 PSA, which refuted their Intentional False Bond Statements. And when their scheme finally came tumbling down, they blamed Grant and Aguiar in order to conceal their role in the scheme.

195. Hapoalim and Chan made the Intentional False Bond Statements and other intentional false representations and omissions with scienter. The ESJ No Construction Letter illustrates this point.

196. On June 18, 2014, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which specifically refuted their false statement that ESJ would sell Lantana

2 for \$ 8 million and would allocate \$2.5 million of the purchase price for the development of the additional space at Lantana 2.

197. But, instead of showing the ESJ No Construction Letter to the Academy's board of directors and requesting they sign it, Hapoalim and Chan intentionally and falsely misled the Academy's board of directors into approving the issuance of the Bond, all the while hoping they would, after the Bond issued, convince the Academy's board of directors to buy into the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions.

198. As a direct and proximate result of Hapoalim and Chan's Intentional False Bond Statements, and other material intentional false representations and omissions they committed in furtherance of the Misrepresent and Salvage Plan, including without limitation, their keeping secret the ESJ No Construction Letter from the Academy's board of directors, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

199. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by Hapoalim and Chan's Intentional False Bond Statements and other material intentional false representations and omissions they committed.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 2 – SECURITIES FRAUD – FLA. STAT. § 517.301
(AGAINST HAPOALIM AND CHAN)**

200. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

201. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Hapoalim and Chan made several significant and material false statements of facts and material omissions.

202. Specifically, before, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the Bond, Hapoalim and Chan made the Intentional False Bond Statements to the Academy's board of directors, which the Academy's board of directors reasonably and justifiably relied on to approve the bond issuance.

203. Also, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the bond, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which provided contrary to Hapoalim and Chan's representations, that ESJ would not allocate any portion of the purchase price for Lantana 2 for the development of the additional space at Lantana 2, which additional space was crucial to the Academy's ability to generate the revenue needed to satisfy its debt service obligations under the bond.

204. Hapoalim and Chan never shared the ESJ No Construction Letter with the Academy. Instead, they decided to keep it secret and to continue conniving the Academy by making other intentional false misrepresentations or omissions in connection with the Misrepresent and Salvage Plan.

205. For example, in addition to hiding the ESJ No Construction Letter, they also hid from the Academy's board of directors the Revised Lantana 2 PSA, which refuted their Intentional False Bond Statements. And when their scheme finally came tumbling down, they blamed Grant and Aguiar in order to conceal their role in the scheme.

206. Hapoalim and Chan made the Intentional False Bond Statements and other intentional false representations and omissions with scienter. The ESJ No Construction Letter illustrates this point.

207. On June 18, 2014, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which specifically refuted their false statement that ESJ would sell Lantana 2 for \$ 8 million and would allocate \$2.5 million of the purchase price for the development of the additional space at Lantana 2.

208. But, instead of showing the ESJ No Construction Letter to the Academy's board of directors and requesting they sign it, Hapoalim and Chan intentionally and falsely misled the Academy's board of directors into issuing the bond, all the while hoping they would, after the bond issued, convince the Academy's board of directors to buy into the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions.

209. As a direct and proximate result of Hapoalim and Chan's Intentional False Bond Statements, and other material intentional false representations and omissions they committed in furtherance of the Misrepresent and Salvage Plan, including without limitation their keeping secret the ESJ No Construction Letter from the Academy's board of directors, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

210. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by Hapoalim and Chan's Intentional False Bond Statements and other material intentional false representations and omissions they committed.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to

suffer as a result of Hapoalim and Chan's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 3 – COMMON LAW FRAUD/FRAUDULENT MISREPRESENTATION
(AGAINST HAPOALIM AND CHAN)**

211. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

212. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Hapoalim and Chan made several significant and material false statements of facts and material omissions.

213. Specifically, before, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the bond, Hapoalim and Chan made to the Academy's board of directors the Intentional False Bond Statements, which the Academy's board of directors reasonably and justifiably relied on to approve the bond issuance.

214. Also, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the bond, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which provided contrary to Hapoalim and Chan's representations, that ESJ would not allocate any portion of the purchase price for Lantana 2 for the development of the additional space at Lantana 2, which additional space was crucial to the Academy's ability to generate the revenue needed to satisfy its debt service obligations under the bond.

215. Hapoalim and Chan never shared the ESJ No Construction Letter with the Academy. Instead, they decided to keep it secret and to continue conniving the Academy by

making other intentional false misrepresentations or omissions in connection with the Misrepresent and Salvage Plan.

216. For example, in addition to hiding the ESJ No Construction Letter, they also hid from the Academy's board of directors the Revised Lantana 2 PSA, which refuted their Intentional False Bond Statements. And when their scheme finally came tumbling down, they blamed Grant and Aguiar in order to conceal their role in the scheme.

217. Hapoalim and Chan made the Intentional False Bond Statements and other intentional false representations and omissions with scienter. The ESJ No Construction Letter illustrates this point.

218. On June 18, 2014, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which specifically refuted their false statement that ESJ would sell Lantana 2 for \$ 8 million and would allocate \$2.5 million of the purchase price for the development of the additional space at Lantana 2.

219. But, instead of showing the ESJ No Construction Letter to the Academy's board of directors and requesting they sign it, Hapoalim and Chan intentionally mislead the Academy's board of directors into issuing the bond, all the while hoping they would, after the bond issued, convince the Academy's board of directors to buy into the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions.

220. As a direct and proximate result of Hapoalim and Chan's fraud, including without limitation, their Intentional False Bond Statements and other material intentional false representations and omissions they committed in furtherance of the Misrepresent and Salvage Plan, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 4 – NEGLIGENT MISREPRESENTATION
(HAPOALIM AND CHAN)**

221. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

222. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Hapoalim and Chan made several significant and material false statements of facts and material omissions.

223. Specifically, before, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the bond, Hapoalim and Chan made to the Academy's board of directors the Intentional False Bond Statements, which the Academy's board of directors reasonably and justifiably relied on to approve the bond issuance. Hapoalim and Chan knew or should have known that the Intentional False Bond Statements were patently false when they were made.

224. Also, during and after the June 19 board meeting and before the Academy's board of directors provided their approval for Hapoalim and Chan to issue the bond, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which provided contrary to Hapoalim and Chan's representations, that ESJ would not allocate any portion of the purchase price for Lantana 2 for the development of the additional space at Lantana 2, which additional space was crucial to the Academy's ability to generate the revenue needed to satisfy its debt service obligations under the bond.

225. Hapoalim and Chan never shared the ESJ No Construction Letter with the Academy. Instead, they decided to keep it secret and to continue conniving the Academy by making other intentional false misrepresentations or omissions in connection with the Misrepresent and Salvage Plan.

226. For example, in addition to hiding the ESJ No Construction Letter, they also hid from the Academy's board of directors the Revised Lantana 2 PSA, which refuted their Intentional False Bond Statements. And when their scheme finally came tumbling down, they blamed Grant and Aguiar in order to conceal their role in the scheme.

227. Hapoalim and Chan made the Intentional False Bond Statements and other intentional false representations and omissions with scienter. The ESJ No Construction Letter illustrates this point.

228. On June 18, 2014, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which specifically refuted their false statement that ESJ would sell Lantana 2 for \$ 8 million and would allocate \$2.5 million of the purchase price for the development of the additional space at Lantana 2.

229. But, instead of showing the ESJ No Construction Letter to the Academy's board of directors and requesting they sign it, Hapoalim and Chan intentionally mislead the Academy's board of directors into issuing the bond, all the while hoping they would, after the bond issued, convince the Academy's board of directors to buy into the Lantana 1, 2, and 3 Bond Plan with the ESJ Development Conditions.

230. As a direct and proximate result of Hapoalim and Chan's fraud, including without limitation, their Intentional False Bond Statements and other material intentional false representations and omissions they committed in furtherance of the Misrepresent and Salvage

Plan, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 5 – FRAUDULENT OMISSION
(AGAINST HAPOALIM AND CHAN)**

231. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

232. Hapoalim and Chan, by virtue of their relationship with the Academy, owed the Academy a duty to fully and truthfully disclose to the Academy's board of directors the material information it needed to evaluate whether to approve the issuance of the Bond.

233. Additionally, Hapoalim and Chan, by virtue of their decision to make material disclosures to the Academy's board of directors about the issuance of the Bond, owed a duty to fully and truthfully disclose to the Academy's board of directors all the material information it needed to evaluate whether to approve the issuance of the Bond.

234. Hapoalim and Chan, however, did the opposite. Instead of fully and truthfully disclosing to the Academy's board of directors the information they needed to evaluate whether to approve the bond issuance, Hapoalim and Chan kept the information secret. Specifically, they kept secret from the Academy's board of directors the ESJ No Construction Letter, which unquestionably refuted their false representation that ESJ would sell Lantana 2 for \$ 8 million and would allocate \$2.5 million of the purchase price for the development of the additional space

at Lantana 2. Also, they kept secret from the Academy's board of directors the Misrepresent and Salvage Plan.

235. Hapoalim and Chan knew that by keeping secret the ESJ No Construction Letter and the Misrepresent and Salvage Plan, the Academy's board of directors would not know the Intentional False Bond Statements were patently false and consequently, would justifiably, but misguidedly, approve the bond issuance.

236. After the Academy's board of directors misguidedly approved the issuance of the Bond based on Hapoalim and Chan's Intentional False Bond Statements, Hapoalim and Chan continued keeping secret from the Academy's board of directors information that would refute Hapoalim and Chan's intentional misrepresentations. For example, Hapoalim and Chan kept secret the Revised Lantana 2 PSA and the various ESJ Development Agreements, which also refuted Hapoalim and Chan's intentional misrepresentations.

237. As a direct and proximate result of Hapoalim and Chan's intentional decision to keep secret the ESJ No Construction Letter and the Misrepresent and Salvage Plan from the Academy's board of directors, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 6 – BREACH OF FIDUCIARY DUTY
(AGAINST HAPOALIM AND CHAN)**

238. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

239. Hapoalim and Chan, by virtue of their relationship with the Academy, owed the Academy fiduciary duties, to, *inter alia*, to ensure that the Academy was not misled into authorizing a bond based on material false misrepresentations and omissions.

240. Hapoalim and Chan, however, breached the fiduciary duties they owed the Academy. Specifically, Hapoalim and Chan intentionally and falsely misled the Academy into approving the issuance of the Bond by, *inter alia*, making the Intentional False Bond Statements, which the Academy relied on to grant their approval for Hapoalim and Chan to issue the Bond.

241. Hapoalim and Chan knew the Intentional False Bond Statements were false. For example, prior to the Academy's board of directors approving the issuance of the bond, Hapoalim and Chan had in their possession the ESJ No Construction Letter, which unquestionably refuted their false representation that ESJ would sell Lantana 2 for \$ 8 million and would allocate \$2.5 million of the purchase price for the development of the additional space at Lantana 2.

242. But, rather than tell the Academy's board of directors the truth, Hapoalim and Chan, in contravention of the fiduciary duty they owed the Academy, decided to keep the ESJ No Construction Letter secret and to continue conniving the Academy by making other intentional false misrepresentations or omissions in connection with the Misrepresent and Salvage Plan.

243. For example, in addition to hiding the ESJ No Construction Letter, they also hid from the Academy's board of directors the Revised Lantana 2 PSA, which refuted their Intentional False Bond Statements. And when their scheme finally came tumbling down, they blamed Grant and Aguiar in order to conceal their role in the scheme.

244. As a direct and proximate result of Hapoalim and Chan's breach of the fiduciary duties they owed the Academy, the Academy approved issuance of the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 7 – CONSPIRACY TO COMMIT FRAUD
(AGAINST HAPALIM AND CHAN)**

245. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

246. Upon being introduced to Grant, Hapoalim and Chan were informed about Grant and Aguiar's plans to commit fraud on the Academy by, *inter alia*, causing the Academy to cancel the Piper Bond Agreement and to implement the secret Lantana 1, 2 and Seminole Bond Plan, and the Lantana 1, 2 and 3 Bond Plan, without knowing the nefarious genesis of the Plans.

247. Rather than distance themselves from the fraudulent scheme devised by Grant, Aguiar and others, Hapoalim and Chan decided to participate in the fraudulent scheme.

248. Consequently, in furtherance of the fraudulent scheme devised by Grant, Aguiar and others, Hapoalim and Chan started off by preparing the Secret Hapoalim Bond. When the Lantana 1, 2 and Seminole Bond Plan began to fall apart, Hapoalim and Chan could have walked away and informed the Academy of the fraudulent scheme devised by Grant, Aguiar and others.

249. But, instead of doing the right thing, Hapoalim and Chan continued their roles in advancing the fraudulent scheme. In particular, they helped devise the Lantana 1, 2 and 3 Bond Plan to help salvage the scheme.

250. When the Lantana 1, 2 and 3 Bond Plan began unraveling because of the ESJ No Construction Letter, Hapoalim and Chan had another opportunity to do the right thing and inform the Academy's board of directors about the fraudulent scheme and the evolving bond plans.

251. In fact, they could have easily ended the fraudulent scheme and the evolving bond plans by disclosing the ESJ No Construction Letter. But, clearly trapped in carrying out their role in the fraudulent scheme, they kept secret from the Academy's board of directors the ESJ No Construction Letter.

252. To make matters worse, they helped devise and implement the Misrepresent and Salvage Plan, and made the Intentional False Bond Statements to the Academy's board of directors, which false statements the Academy's board of directors justifiably, albeit misguidedly, relied on to approve the issuance of the bond.

253. As a direct and proximate result of Hapoalim and Chan's decision to conspire with, and to participate in the fraudulent scheme devised by Grant, Aguiar and others, including, without limitation, their decision to keep secret the ESJ No Construction Letter and to make the Intentional False Bond Statements in furtherance of the Misrepresent and Salvage Plan, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 8 – AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES
(AGAINST HAPOALIM AND CHAN)**

254. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

255. The members of the Academy's board of directors, pursuant to Fla. Stat. § 617.01011, *et. seq.*, and more specifically section 617.0830, each had a duty to the Academy to discharge their obligations, *inter alia*, in good faith and in the best interests of the Academy.

256. Grant, Burckhart and Smith, as members of the Academy's board of directors breached their duties to the Academy. More specifically, they breached their duties to act in good faith and in the best interest of the Academy by creating, implementing and/or misleading the Academy's other independent board of directors with respect to the Lantana 1, 2 and Seminole Bond Plan, the Lantana 1, 2 and 3 Bond Plan, and the Misrepresent and Salvage Plans.

257. Hapoalim and Chan knew that Grant, Burckhart and Smith owed and were breaching their duties to act in good faith and in the best interest of the Academy.

258. But, rather than distance themselves from Grant, Burckhart and Smith, and better yet, disclose their breach of their fiduciary duties to the Academy's other independent board of directors, Hapoalim and Chan decided to aid and abet Grant, Burckhart and Smith to continue breaching their duties.

259. Specifically, Hapoalim and Chan helped Grant further the Lantana 1, 2 and Seminole Bond Plan, the Lantana 1, 2 and 3 Bond Plan, and the Misrepresent and Salvage Plan by, *inter alia*, making the Intentional False Bond Statements to the Academy, which statements the Academy's independent board members relied on to approve the issuance of the bond, keeping secret from the Academy's independent board of directors the ESJ No Construction Letter and the Revised Lantana 2 PSA.

260. As a direct and proximate result of Hapoalim and Chan's decision to aid and abet Grant, Smith and Burckhart in breaching their duties to the Academy, the Academy approved issuance of the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim and Chan, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim and Chan's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 9 – NEGLIGENT SUPERVISION
(AGAINST HAPOALIM)**

261. The Academy incorporates paragraphs 1 through 17 and 51 through 188 as though fully set forth herein.

262. Pursuant to rules and regulations promulgated by the Securities and Exchange Commission ("SEC") and the Financial Industry Regulatory Authority ("FINRA"), for example, FINRA Rule 3110, FINRA Regulatory Notice 07-59, Hapoalim was required to establish and maintain a system to supervise the activities of each associated person, *e.g.* Chan, that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA Rules.

263. More specifically, Hapoalim was required to, *inter alia*, review incoming and outgoing written correspondence, electronic or otherwise, of associates to ensure they were complying with applicable securities laws and regulations.

264. Hapoalim, however, failed to adequately supervise and monitor incoming and outgoing written correspondence, electronic or otherwise, of Chan, and consequently, failed to properly supervise him. In particular, it failed to monitor and detect emails that would have alerted it to the fraud being perpetuated on the Academy by Chan and others. For example, it

had in it system, but failed to act on the Aguiar May 22 and 26 email, which when read together, should have alerted it that something was amiss and that a fraudulent scheme was being hatched by Grant and Aguiar with assistance from Chan and D'Ascola.

265. More crucially, Hapoalim had in its system the ESJ No Construction Letter, which clearly alerted it that Chan, its associate, had made and was continuing to make false misrepresentations and omissions to the Academy's board of directors in order to convince them to misguidedly approve the Bond.

266. But, instead of stopping Chan in his track, Hapoalim sat back and continued to look the other way while Chan continued making false misrepresentations and omissions to the Academy's board of directors. For example, they continued to ignore the emails from Chan that would have alerted them of the Misrepresent and Salvage Plan, including, but not limited to emails Chan sent to Grant stating that the ESJ Development Agreement was "for your eyes only".

267. To make matters worse, Hapoalim hid the truth about Chan's involvement in the fraudulent scheme perpetuated on the Academy by blaming Grant and Aguiar.

268. As a direct and proximate result of Hapoalim's failure to properly supervise Chan, Chan was able to convince the Academy's board of directors to misguidedly approve the issuance of the Bond, resulting in the significant economic losses the Academy suffered and continue to suffer.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Hapoalim, and award it the economic damages it suffered and continues to suffer as a result of Hapoalim's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 10 – SECURITIES FRAUD - § 10(B) OF SECURITIES ACT OF 1934
(AGAINST BURCKHART)**

269. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

270. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Burckhart knew, but decided to omit from the Academy's other independent board of directors, information material to their decision about whether to authorize the issuance of the Bond.

271. Specifically, and before the Academy's other independent board members approved the bond issuance, Burckhart knew and had agreed to help with the Misrepresent and Salvage Plan. During the June 19 board meeting when Chan and Hapoalim made the Intentional False Bond Statements, Burckhart knew the statements were false and were part of the Misrepresent and Salvage Plan.

272. But, rather than inform the Academy's other independent board members that the Intentional False Bond Statements were purposely false and were part of the Misrepresent and Salvage Plan, Burckhart stayed quiet while the Academy's other independent board members justifiably, but misguidedly, approved the bond issuance.

273. Burckhart's decision to not share the information with the Academy's other independent board members was fraught with scienter. He knew the information being shared with the Academy's other independent board members was patently false because Grant had informed him of the Misrepresent and Salvage Plan and requested Burckhart, as the chairman of the Academy's board of directors, manage the board's discussion in a manner that would convince the other independent board members to approve the bond without knowing the genesis and details of the plan. Burckhart followed through on his part of the plan as he agreed to.

274. As a direct and proximate result of Burckhart's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

275. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by Burckhart's material intentional false omissions.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Burckhart, and award it the economic damages it suffered as a result of Burckhart's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 11 – SECURITIES FRAUD – FLA. STAT. § 517.301
(AGAINST BURCKHART)**

276. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

277. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Burckhart knew, but decided to omit from the Academy's other independent board of directors, information material to their decision about whether to authorize the issuance of the Bond.

278. Specifically, and before the Academy's other independent board members approved the bond issuance, Burckhart knew and had agreed to help with the Misrepresent and Salvage Plan. During the June 19 board meeting when Chan and Hapoalim made the Intentional False Bond Statements, Burckhart knew the statements were false and were part of the Misrepresent and Salvage Plan.

279. But, rather than inform the Academy's other independent board members that the Intentional False Bond Statements were purposely false and were part of the Misrepresent and Salvage Plan, Burckhart stayed quiet while the Academy's other independent board members justifiably, but misguidedly, approved the bond issuance.

280. Burckhart's decision to not share the information with the Academy's other independent board members was fraught with scienter. He knew the information being shared with the Academy's other independent board members was patently false because Grant had informed him of the Misrepresent and Salvage Plan and requested Burckhart, as the chairman of the Academy's board of directors, manage the board's discussion in a manner that would convince the other independent board members to approve the bond without knowing the genesis and details of the plan. Burckhart followed through on his part of the plan as he agreed to.

281. As a direct and proximate result of Burckhart's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

282. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by Burckhart's material intentional false omissions.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Burckhart, and award it the economic damages it suffered as a result of Burckhart's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 12 – BREACH OF FIDUCIARY DUTIES AS DIRECTOR
(AGAINST BURCKHART)**

283. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

284. The Academy's board of directors, and specifically Burckhart, pursuant to Fla. Stat. § 617.01011, *et. seq.*, and more specifically, section 617.0830, had a duty to the Academy to discharge his obligations, *inter alia*, in good faith and in the best interests of the Academy.

285. Burckhart, as a member of the Academy's board of directors breached his duties to the Academy. More specifically, he breached his duties to act in good faith and in the best interest of the Academy by helping Hapoalim, Chan, Grant and others implement and carry out

the Misrepresent and Salvage Plan, including without limitation, failing to disclose the plan to and failing to inform the Academy's other independent board members that the Intentional False Bond Statements were patently false and could not be properly relied on as justification for approving the bond issuance.

286. As a direct and proximate result of Burckhart's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Burckhart, and award it the economic damages it suffered as a result of Burckhart's actions, pre and post judgment interest, lost profits, punitive damages, and all other relief as appropriate.

**COUNT 13 – AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES
(AGAINST BURCKHART)**

287. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

288. The Academy's board of directors and officers, including Grant, pursuant to Fla. Stat. § 617.01011, *et. seq.*, and more specifically section 617.0830, had a duty to the Academy to discharge his obligations, *inter alia*, in good faith and in the best interests of the Academy.

289. Grant, as a member of the Academy's board of directors and an officer of the Academy, breached his duties to the Academy. More specifically, he breached the duties to act in good faith and in the best interest of the Academy by creating, implementing and/or misleading the Academy's other independent board of directors with respect to the Lantana 1, 2 and Seminole Bond Plan, the Lantana 1, 2 and 3 Bond Plan, and the Misrepresent and Salvage Plans.

290. Burckhart knew that Grant owed and was breaching his duties to act in good faith and in the best interest of the Academy.

291. But, rather than distance himself from Grant, and better yet, disclose Grant's breach of his fiduciary duties to the Academy's other independent board of directors, Burckhart decided to aid and abet Grant to continue breaching his duties.

292. Specifically, Burckhart helped Grant further the Misrepresent and Salvage Plan by, *inter alia*, failing to disclose the plan to the Academy's other independent board of directors and failing to inform them that the Intentional False Bond Statements were patently false and could not be properly relied on as justification for approving the bond issuance.

293. As a direct and proximate result of Burckhart's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Burckhart, and award it the economic damages it suffered as a result of Burckhart's actions, pre and post judgment interest, lost profits, punitive damages, and all other relief as appropriate.

**COUNT 14 – COMMON LAW FRAUD/FRAUDULENT OMISSION
(AGAINST BURCKHART)**

294. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

295. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, Burckhart knew, but decided to omit from the Academy's other independent board of directors, information material to their decision about whether to authorize the issuance of the Bond.

296. Specifically, and before the Academy's other independent board members approved the bond issuance, Burckhart knew and had agreed to help with the Misrepresent and Salvage Plan. During the June 19 board meeting when Chan and Hapoalim made the Intentional False Bond Statements, Burckhart knew the statements were false and were part of the Misrepresent and Salvage Plan.

297. But, rather than inform the Academy's other independent board members that the Intentional False Bond Statements were purposely false and were part of the Misrepresent and Salvage Plan, Burckhart stayed quiet while the Academy's other independent board members justifiably, but misguidedly, approved the bond issuance.

298. Burckhart's decision to not share the information with the Academy's other independent board members was fraught with scienter. He knew the information being shared with the Academy's other independent board members was patently false because Grant had informed him of the Misrepresent and Salvage Plan and requested Burckhart, as the chairman of the Academy's board of directors, manage the board's discussion in a manner that would convince the other independent board members to approve the bond without knowing the genesis and details of the plan. Burckhart followed through on his part of the plan as he agreed to.

299. As a direct and proximate result of Burckhart's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Burckhart, and award it the economic damages it suffered as a result of Burckhart's actions, pre and post judgment interest, lost profits, punitive damages, and all other relief as appropriate.

**COUNT 15 – CONSPIRACY TO COMMIT FRAUD
(AGAINST BURCKHART)**

300. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

301. Before the Academy's board of directors approved the issuance of the bond, Burckhart learned about the Misrepresent and Salvage Plan.

302. In fact, rather than distance himself from the Misrepresent and Salvage Plan, Burckhart agreed to help with the plan. In particular, and in furtherance of the plan, Burckhart, contrary to his duties to the Academy, stayed silent while Hapoalim and Grant made the Intentional False Bond Statements, which Burckhart knew were patently false.

303. As a direct and proximate result of Burckhart's actions and inactions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Burckhart, and award it the economic damages it suffered and continues to suffer as a result of Burckhart's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 16 – SECURITIES FRAUD - § 10(B) OF SECURITIES ACT OF 1934
(AGAINST AGUIAR)**

304. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

305. Shortly after meeting Grant, Aguiar, who was interested in developing a franchise system for and expanding the Academy's program, imparted on Grant the need to expand and franchise the Academy's operations. In connection with those discussions, Grant and Aguiar devised in secret the Lantana 1, 2 and Seminole and Lantana 1, 2 and 3 Bond Plans, and the Misrepresent and Salvage Plans when the bond plans began unraveling.

306. Aguiar, like Grant, Burckhart, Hapoalim and Chan, knew the nefarious genesis of the bond plans and the Misrepresent and Salvage Plan before the Academy's board of directors, misguidedly relying on the Intentional False Bond Statements, approved the issuance of the bond.

307. In fact, and before the Academy's board of directors approved the bond issuance, Aguiar had in her possession the ESJ No Construction Letter, which refuted the Intentional False Bond Statements.

308. Remarkably, by virtue of her involvement with the Academy via the retention of Edu-Link and her decision to share material information, including about the bond, during board meetings held by the Academy's board of directors, Aguiar owed a duty to disclose to the Academy's board of directors information material to their decision to approve the issuance of the bond

309. But, rather than inform the Academy's board of directors about the ESJ No Construction Letter, the bond plans, the Misrepresent and Salvage Plan, and that the Intentional False Bond Statements they were relying on were patently false, Aguiar stayed silent while the Academy's board of directors, relying on deliberate false information, approved the bond issuance.

310. Aguiar's decision to not disclose to the Academy's board of directors the nefarious bond plans, the Misrepresent and Salvage Plan, the ESJ No Construction Letter, and that the Intentional False Bond Statements were false was fraught with scienter. She knew the information being shared with the Academy's board members was patently false because she and Grant developed and took steps to implement the bond plans and the Misrepresent and Salvage Plan.

311. As a direct and proximate result of Aguiar's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

312. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by Aguiar's material intentional false omissions.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Aguiar, and award it the economic damages it suffered as a result of Aguiar's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 17 – SECURITIES FRAUD – FLA. STAT. § 517.301
(AGAINST AGUIAR)**

313. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

314. Shortly after meeting Grant, Aguiar, who was interested in developing a franchise system for and expanding the Academy's program, imparted on Grant the need to expand and franchise the Academy's operations. In connection with those discussions, Grant and Aguiar devised in secret the Lantana 1, 2 and Seminole and Lantana 1, 2 and 3 Bond Plans, and the Misrepresent and Salvage Plans when the bond plans began unraveling.

315. Aguiar, like Grant, Burckhart, Hapoalim and Chan, knew the nefarious genesis of the bond plans and the Misrepresent and Salvage Plan before the Academy's board of directors, misguidedly relying on the Intentional False Bond Statements, approved the issuance of the bond.

316. In fact, and before the Academy's board of directors approved the bond issuance, Aguiar had in her possession the ESJ No Construction Letter, which refuted the Intentional False Bond Statements.

317. Remarkably, by virtue of her involvement with the Academy via the retention of Edu-Link and her decision to share material information, including about the bond, during board meetings held by the Academy's board of directors, Aguiar owed a duty to disclose to the Academy's board of directors information material to their decision to approve the issuance of the bond

318. But, rather than inform the Academy's board of directors about the ESJ No Construction Letter, the bond plans, the Misrepresent and Salvage Plan, and that the Intentional False Bond Statements they were relying on were patently false, Aguiar stayed silent while the Academy's board of directors, relying on deliberate false information, approved the bond issuance.

319. Aguiar's decision to not disclose to the Academy's board of directors the nefarious bond plans, the Misrepresent and Salvage Plan, the ESJ No Construction Letter, and that the Intentional False Bond Statements were false was fraught with scienter. She knew the information being shared with the Academy's board members was patently false because she and Grant developed and took steps to implement the bond plans and the Misrepresent and Salvage Plan.

320. As a direct and proximate result of Aguiar's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

321. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by Aguiar's material intentional false omissions.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Aguiar, and award it the economic damages it suffered as a result of Aguiar's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 18 – COMMON LAW FRAUD/FRAUDULENT OMISSION
(AGAINST AGUIAR)**

322. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

323. Shortly after meeting Grant, Aguiar, who was interested in developing a franchise system for and expanding the Academy's program, imparted on Grant the need to expand and franchise the Academy's operations. In connection with those discussions, Grant and Aguiar devised in secret the Lantana 1, 2 and Seminole and Lantana 1, 2 and 3 Bond Plans, and the Misrepresent and Salvage Plans when the bond plans began unraveling.

324. Aguiar, like Grant, Burckhart, Hapoalim and Chan, knew the nefarious genesis of the bond plans and the Misrepresent and Salvage Plan before the Academy's board of directors, misguidedly relying on the Intentional False Bond Statements, approved the issuance of the bond.

325. In fact, and before the Academy's board of directors approved the bond issuance, Aguiar had in her possession the ESJ No Construction Letter, which refuted the Intentional False Bond Statements.

326. Remarkably, by virtue of her involvement with the Academy via the retention of Edu-Link and her decision to share material information, including about the bond, during board meetings held by the Academy's board of directors, Aguiar owed a duty to disclose to the Academy's board of directors information material to their decision to approve the issuance of the bond

327. But, rather than inform the Academy's board of directors about the ESJ No Construction Letter, the bond plans, the Misrepresent and Salvage Plan, and that the Intentional False Bond Statements they were relying on were patently false, Aguiar stayed silent while the

Academy's board of directors, relying on deliberate false information, approved the bond issuance.

328. Aguiar's decision to not disclose to the Academy's board of directors the nefarious bond plans, the Misrepresent and Salvage Plan, the ESJ No Construction Letter, and that the Intentional False Bond Statements were false was fraught with scienter. She knew the information being shared with the Academy's board members was patently false because she and Grant developed and took steps to implement the bond plans and the Misrepresent and Salvage Plan.

329. As a direct and proximate result of Aguiar's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Aguiar, and award it the economic damages it suffered as a result of Aguiar's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 19 – CONSPIRACY TO COMMIT FRAUD
(AGAINST AGUIAR)**

330. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

331. Shortly after meeting Grant, Aguiar, who was interested in developing a franchise system for and expanding the Academy's program, imparted on Grant the need to expand and franchise the Academy's operations.

332. In connection with those discussions, Grant and Aguiar conspired and devised in secret the Lantana 1, 2 and Seminole and Lantana 1, 2 and 3 Bond Plans, and the Misrepresent and Salvage Plans when the bond plans began unraveling.

333. Aguiar took several steps in furtherance of the bond plans and the Misrepresent and Salvage Plan. For example, she introduced Hapoalim and Chan to the plan and solicited their help to effectuate the plan. Also, she introduced D'Ascola to the plan and solicited his help to effectuate the portions of the plan that required ESJ's involvement. Then, contrary to her obligation to share material information about the bond with the Academy's board of directors, she kept secret from the Academy's board of directors the bond plans, the Misrepresent and Salvage Plan, the ESJ No Construction Letter, and that the Intentional False Bond Statements were deliberately false.

334. Frankly, she was involved in all aspects of the conspiracy, including by way of example, coordinating what the members of the conspiracy needed to do to make the bond plans and Misrepresent and Salvage Plan work and to keep them secret because she was concerned about the usual suspects and how they would behave.

335. As a direct and proximate result of Aguiar's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Aguiar, and award it the economic damages it suffered as a result of Aguiar's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 20 – AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES
(AGAINST AGUIAR)**

336. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

337. The Academy's board of directors, pursuant to Fla. Stat. § 617.01011, *et. seq.*, and more specifically section 617.0830, each had a duty to the Academy to discharge their obligations, *inter alia*, in good faith and in the best interests of the Academy.

338. Grant, Burckhart and Smith, as members of the Academy's board of directors, breached their duties to the Academy. More specifically, they breached their duties to act in good faith and in the best interest of the Academy by creating, implementing and/or misleading the Academy's other independent board of directors with respect to the Lantana 1, 2 and Seminole Bond Plan, the Lantana 1, 2 and 3 Bond Plan, and the Misrepresent and Salvage Plans.

339. Aguiar knew that Grant, Burckhart and Smith owed and were breaching their duties to act in good faith and in the best interest of the Academy.

340. But, rather than distance herself from Grant, Burckhart and Smith, and better yet, disclose their breach of their fiduciary duties to the Academy's other independent board of directors, Aguiar decided to aid and abet Grant, Burckhart and Smith to continue breaching their duties.

341. Specifically, Aguiar helped Grant devise and implement, with the help of Smith and Burckhart, the Lantana 1, 2 and Seminole Bond Plan, the Lantana 1, 2 and 3 Bond Plan, and the Misrepresent and Salvage Plan by, *inter alia*, introducing and soliciting Hapoalim, Chan and D'Ascola assistance in implementing the plans, including coordinating what the other defendants and Grant needed to do to make the bond plans and Misrepresent and Salvage Plan work and to keep them secret because she was concerned about the usual suspects and how they would behave.

342. As a direct and proximate result of Aguiar's decision to aid and abet Grant, Smith and Burckhart in breaching their duties to the Academy, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against Aguiar, and award it the economic damages it suffered and continues to suffer as a result of Aguiar's actions, lost profits, punitive damages, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 21 – SECURITIES FRAUD - § 10(B) OF SECURITIES ACT OF 1934
(AGAINST D'ASCOLA)**

343. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

344. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, D'Ascola knew, but decided to omit from the Academy's board of directors information material to their decision about whether to authorize the issuance of the bond.

345. Specifically, and before the Academy's board members approved the bond issuance, D'Ascola knew and had agreed to participate in the Lantana 1, 2 and 3 Bond Plan.

346. Consequently, during the May 28 board meeting, D'Ascola misrepresented to the Academy's board of directors that ESJ will build additional space at Lantana 2 for the Academy, reiterating and reinforcing the false narrative being presented to the Academy's board of directors by Grant, Hapoalim, Chan, Aguiar and others that ESJ would allocate a portion of the purchase price of Lantana 2 for the development of the additional space.

347. D'Ascola, by virtue of electing to speak at the board meeting, owed, but breached his duties to the Academy's board of directors to be truthful and to fully disclose all information relating to the development of the additional space at Lantana 2.

348. D'Ascola's decision to not share the truth about the development of the additional space at Lantana 2 was fraught with scienter, was intentional and was done solely to mislead the Academy's board of directors. He knew that Hapoalim, Chan, Grant and others would use his statement to perpetuate a fraud on the Academy. Before the Academy's board of directors approved the issuance of the bond, he knew that the ESJ No Construction Letter he forwarded to Aguiar to be signed by the Academy's board of directors was not forwarded to them since he never received a signed letter. More importantly, he knew that the ESJ No Construction Letter would doom the bond plans and any other plans developed to save them. Remarkably, instead of sending the ESJ No Construction Letter directly to the Academy's board of directors, he sat silently on the sidelines while Hapoalim, Chan, Grant and others deliberately provided false information to the Academy's board of directors, which information the board misguidedly relied on to approve the bond.

349. As a direct and proximate result of D'Ascola's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

350. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by D'Ascola's material intentional false omissions.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against D'Ascola, and award it the economic damages it suffered as a result of D'Ascola's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 22 – SECURITIES FRAUD – FLA. STAT. § 517.301
(AGAINST D’ASCOLA)**

351. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

352. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, D’Ascola knew, but decided to omit from the Academy’s board of directors information material to their decision about whether to authorize the issuance of the Bond.

353. Specifically, and before the Academy’s board members approved the bond issuance, D’Ascola knew and had agreed to participate in the Lantana 1, 2 and 3 Bond Plan.

354. Consequently, during the May 28 board meeting, D’Ascola misrepresented to the Academy’s board of directors that ESJ will build additional space at Lantana 2 for the Academy, reiterating and reinforcing the false narrative being presented to the Academy’s board of directors by Grant, Hapoalim, Chan, Aguiar and others that ESJ would allocate a portion of the purchase price of Lantana 2 for the development of the additional space.

355. D’Ascola, by virtue of electing to speak at the board meeting, owed, but breached his duties to the Academy’s board of directors to be truthful and to fully disclose all information relating to the development of the additional space at Lantana 2.

356. D’Ascola’s decision to not share the truth about the development of the additional space at Lantana 2 was fraught with scienter, was intentional and was done solely to mislead the Academy’s board of directors. He knew that Hapoalim, Chan, Grant and others would use his statement to perpetuate a fraud on the Academy. Before the Academy’s board of directors approved the issuance of the bond, he knew that the ESJ No Construction Letter forwarded to Aguiar to be signed by the Academy’s board of directors was not forwarded to them since he

never received a signed letter. More importantly, he knew that the ESJ No Construction Letter would doom the bond plans and any other plans developed to save them. Remarkably, instead of sending the ESJ No Construction Letter directly to the Academy's board of directors, he sat silently on the sidelines while Hapoalim, Chan, Grant and others deliberately provided false information to the Academy's board of directors, which information the board misguidedly relied on to approve the bond.

357. As a direct and proximate result of D'Ascola's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

358. Furthermore, the significant economic losses the Academy suffered and continues to suffer were caused directly by D'Ascola's material intentional false omissions.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against D'Ascola, and award it the economic damages it suffered as a result of D'Ascola's actions, pre and post judgment interest, costs, and all other relief as appropriate.

**COUNT 23 – COMMON LAW FRAUD/FRAUDULENT OMISSION
(AGAINST D'ASCOLA)**

359. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

360. In connection with, and to convince the Academy to approve the issuance of the approximately \$24 million Bond for the Academy, D'Ascola knew, but decided to omit from the Academy's board of directors information material to their decision about whether to authorize the issuance of the Bond.

361. Specifically, and before the Academy's board members approved the bond issuance, D'Ascola knew and had agreed to participate in the Lantana 1, 2 and 3 Bond Plan.

362. Consequently, during the May 28 board meeting, D'Ascola misrepresented to the Academy's board of directors that ESJ will build additional space at Lantana 2 for the Academy, reiterating and reinforcing the false narrative being presented to the Academy's board of directors by Grant, Hapoalim, Chan, Aguiar and others that ESJ would allocate a portion of the purchase price of Lantana 2 for the development of the additional space.

363. D'Ascola, by virtue of electing to speak at the board meeting, owed, but breached his duties to the Academy's board of directors to be truthful and to fully disclose all information relating to the development of the additional space at Lantana 2.

364. D'Ascola's decision to not share the truth about the development of the additional space at Lantana 2 was fraught with scienter, was intentional and was done solely to mislead the Academy's board of directors. He knew that Hapoalim, Chan, Grant and others would use his statement to perpetuate a fraud on the Academy. Before the Academy's board of directors approved the issuance of the bond, he knew that the ESJ No Construction Letter forwarded to Aguiar to be signed by the Academy's board of directors was not forwarded to them since he never received a signed letter. More importantly, he knew that the ESJ No Construction Letter would doom the bond plans and any other plans developed to save them. Remarkably, instead of sending the ESJ No Construction Letter directly to the Academy's board of directors, he sat silently on the sidelines while Hapoalim, Chan, Grant and others deliberately provided false information to the Academy's board of directors, which information the board misguidedly relied on to approve the bond.

365. As a direct and proximate result of D'Ascola's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against D'Ascola, and award it the economic damages it suffered as a result of D'Ascola's actions, pre and post judgment interest, lost profits, punitive damages, costs, and all other relief as appropriate.

**COUNT 24 – CONSPIRACY TO COMMIT FRAUD
(AGAINST D'ASCOLA)**

366. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

367. Upon meeting Grant via Aguiar, D'Ascola was informed about the plans devised by Grant and Aguiar, with assistance of Hapoalim and Chan, to commit fraud on the Academy by, *inter alia*, providing false information to the Academy's board of directors so they could approve the bond issuance, which would leave them with the Hobson's choice of shuttering their doors or adopting the Lantana 1, 2 and 3 bond plan without knowing its nefarious origins.

368. Rather than distance himself from the fraudulent scheme, D'Ascola decided to participate in the scheme.

369. In furtherance of the fraudulent scheme, D'Ascola decided to attend the May 28 board meeting and to make partial misstatements to the Academy's board or directors that would support and reinforce the false narrative being presented to the Academy's board of directors by Grant, Hapoalim, Chan, Aguiar and others.

370. Specifically, during the May 28 board meeting, D'Ascola misrepresented to the Academy's board of directors that ESJ will build additional space at Lantana 2 for the Academy, reiterating and reinforcing the false narrative being presented to the Academy's board of directors by Grant, Hapoalim, Chan, Aguiar and others that ESJ would allocate a portion of the purchase price of Lantana 2 for the development of the additional space.

371. D'Ascola, by virtue of electing to speak at the board meeting, owed, but breached his duties to the Academy's board of directors to be truthful and to fully disclose all information relating to the development of the additional space at Lantana 2.

372. D'Ascola's decision to not share the truth about the development of the additional space at Lantana 2 was intentional and done solely to mislead the Academy's board of directors. In particular, D'Ascola knew that Hapoalim, Chan, Grant and others would use his statement to perpetuate a fraud on the Academy. Before the Academy's board of directors approved the issuance of the bond, he knew that the ESJ No Construction Letter he forwarded to Aguiar to be signed by the Academy's board of directors was not forwarded to them since he never received a signed letter. More importantly, he knew that the ESJ No Construction Letter would doom the bond plans and any other plans developed to save them. Remarkably, instead of sending the ESJ No Construction Letter directly to the Academy's board of directors, he sat silently on the sidelines while Hapoalim, Chan, Grant and others deliberately provided false information to the Academy's board of directors, which information the board misguidedly relied on to approve the bond.

373. As a direct and proximate result of D'Ascola's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against D'Ascola, and award it the economic damages it suffered as a result of D'Ascola's actions, pre and post judgment interest, lost profits, punitive damages, costs, and all other relief as appropriate.

**COUNT 25 – AIDING AND ABETTING BREACH OF FIDUCIARY DUTIES
(AGAINST D’ASCOLA)**

374. The Academy incorporates paragraphs 1 through 188 as though fully set forth herein.

375. The Academy’s board of directors and officers, including Grant, pursuant to Fla. Stat. § 617.01011, *et. seq.*, and more specifically section 617.0830, had a duty to the Academy to discharge his obligations, *inter alia*, in good faith and in the best interests of the Academy.

376. Grant, as a member of the Academy’s board of directors and an officer of the Academy breached his duties to the Academy. More specifically, he breached the duties to act in good faith and in the best interest of the Academy by creating, implementing and/or misleading the Academy’s other independent board of directors with respect to the Lantana 1, 2 and Seminole Bond Plan, the Lantana 1, 2 and 3 Bond Plan, and the Misrepresent and Salvage Plans.

377. D’Ascola knew that Grant owed and was breaching his duties to act in good faith and in the best interest of the Academy.

378. But, rather than distance himself from Grant, and better yet, disclose Grant’s breach of his fiduciary duties to the Academy’s board of directors, D’Ascola decided to aid and abet Grant to continue breaching their duties.

379. Specifically, during the May 28 board meeting, D’Ascola misrepresented to the Academy’s board of directors that ESJ will build additional space at Lantana 2 for the Academy, reiterating and reinforcing the false narrative being presented to the Academy’s board of directors by Grant, Hapoalim, Chan, Aguiar and others that ESJ would allocate a portion of the purchase price of Lantana 2 for the development of the additional space.

380. D'Ascola, by virtue of electing to speak at the board meeting, owed, but breached his duties to the Academy's board of directors to be truthful and to fully disclose all information relating to the development of the additional space at Lantana 2.

381. D'Ascola's decision to not share the truth about the development of the additional space at Lantana 2 was fraught with scienter, was intentional and was done solely to mislead the Academy's board of directors. He knew that Hapoalim, Chan, Grant and others would use his statement to perpetuate a fraud on the Academy. Before the Academy's board of directors approved the issuance of the bond, he knew that the ESJ No Construction Letter forwarded to Aguiar to be signed by the Academy's board of directors was not forwarded to them since he never received a signed letter. More importantly, he knew that the ESJ No Construction Letter would doom the bond plans and any other plans developed to save them. Remarkably, instead of sending the ESJ No Construction Letter directly to the Academy's board of directors, he sat silently on the sidelines while Hapoalim, Chan, Grant and others deliberately provided false information to the Academy's board of directors, which information the board misguidedly relied on to approve the bond.

382. As a direct and proximate result of D'Ascola's actions, the Academy issued the Bond and suffered and continues to suffer significant economic losses.

WHEREFORE, the Academy respectfully requests the Court enter judgment in its favor and against D'Ascola, and award it the economic damages it suffered as a result of D'Ascola's actions, pre and post judgment interest, lost profits, punitive damages, and all other relief as appropriate.

DEMAND FOR JURY TRIAL

The Academy demands a jury trial on all issues so triable.

Exhibit #6
April 10, 2019,
State of
New York Federal Court Findings
In regards to
Palm Beach Maritime Academy
&
Happoalim Securities USA Inc.



New York Federal Court Dismisses Charter School's Section 10(b) Claims For Lack Of Standing, Rejecting Plaintiff's Constructive Seller Theory

05/07/2019

On April 10, 2019, Judge Loretta A. Preska of the United States District Court for the Southern District of New York dismissed an action asserting violations of Section 10(b) of the Securities and Exchange Act of 1934 and claims under state law against a broker-dealer (the "Broker-Dealer") and several individuals who participated in a bond offering facilitated by the Broker-Dealer. *Palm Beach Maritime Museum v. Hapoalim Sec. USA, Inc.*, 19 Civ. 908 (LAP), 2019 WL 1950139 (S.D.N.Y. Apr. 10, 2019). Plaintiff, a non-profit corporation approved as a charter school in Florida, alleged that defendants made materially false statements in connection with a bond purchase agreement to finance plaintiff's purchase and expansion of property. The Court held that plaintiff lacked standing to pursue its Section 10(b) claim because it was not the buyer or seller of a security.

Plaintiff entered into a bond purchase agreement facilitated by the Broker-Dealer to finance the purchase and expansion of a property. Plaintiff was the "borrower," while the Public Finance Authority, a unit of the government of the State of Wisconsin, was the "issuer" of the bond. Later, plaintiff sued defendants, alleging it entered into the bond purchase agreement believing that the property's seller would allocate \$2.5 million of the \$8 million purchase price for the development of the property, which turned out not to be the case. Plaintiff alleged that certain individual defendants knew this but concealed it from plaintiff's Board of Directors when the Board approved the issuance of the bond. Defendants moved to dismiss.

Noting that only a buyer or a seller of a security has standing to bring a claim under Section 10(b), the Court concluded that plaintiff was neither a seller nor buyer under the terms of the agreement and therefore lacked standing. Relying on *Banco Nacional de Costa Rica v. Bremer Holdings Corp.*, 492 F. Supp. 364 (S.D.N.Y. 1980), plaintiff argued that it was a guarantor of the bond and therefore a "constructive seller" of securities. The Court disagreed, observing that *Banco Nacional* involved a guarantor who contractually "stood in the shoes" of the issuer-seller and provided an unconditional guarantee, whereas plaintiff here did not provide an equivalent guarantee and was simply the borrower. Arguments that the Public Finance Authority was merely a conduit were also rejected, and the Court further distinguished *Banco Nacional* because there would have been no interested party with standing to sue had plaintiff in that case been determined to lack standing. Here, by contrast, the issuer of the underlying bond offering was capable of alleging fraud against the Broker-Dealer. The Court summarily dismissed the state law claims on the ground that in the absence of the Section 10(b) claims, plaintiff failed to present any viable federal claims for the Court to exercise supplemental jurisdiction over the action.

CATEGORIES: Exchange Act, Standing

© 2019 Shearman & Sterling LLP | Attorney Advertising

These publications are only intended to be a general discussion of the topics covered and should not be construed as legal advice. We would be pleased to provide additional details or advice about specific situations.

Palm Beach Maritime Museum, Inc. v. Hapoalim Securities USA, Inc. (9:18-cv-80596)

District Court, S.D. Florida

[View on PACER \(https://ecf.flsd.uscourts.gov/cgi-bin/DktRpt.pl?527078\)](https://ecf.flsd.uscourts.gov/cgi-bin/DktRpt.pl?527078)

[Search this Docket \(/?type=r&q=docket_id%3A6467536\)](#)

[Get Alerts \(/alert/docket/toggle/\)](#)

[? \(/help/alerts/#recap-alerts\)](#)

Last Updated: Jan. 26, 2019, 2:56 a.m. EST

Assigned To: Donald M. Middlebrooks (/person/2240/donald-m-middlebrooks/)

Referred To: Dave Lee Brannon (/?type=r&referred_to="Dave Lee Brannon")

Date Filed: May 7, 2018

Cause: 15:0077 Securities Fraud (/?type=r&cause="15:0077 Securities Fraud")

Nature of Suit: 850 Securities/Commodities (/?type=r&nature_of_suit="850 Securities/Commodities")

Jury Demand: Plaintiff (/?type=r&q=juryDemand:"Plaintiff")

Jurisdiction Type: Federal Question

[Docket Entries \(/docket/6467536/palm-beach-maritime-museum-inc-v-hapoalim-securities-usa-inc/\)](#)

[Parties and Attorneys \(/docket/6467536/parties/palm-beach-maritime-museum-inc-v-hapoalim-securities-usa-inc/\)](#)

[FJC Integrated Database \(/docket/6467536/idb/palm-beach-maritime-museum-inc-v-hapoalim-securities-usa-inc/\)](#)

Filed

YYYY-MM-DD

to

YYYY-MM-DD

Documents

↓₉

↓₁

to

	Date Filed	Description
1	May 7, 2018	COMPLAINT against All Defendants. Filing fees \$ 400.00 receipt number 113C-10631622, filed by Palm Beach Maritime Museum, Inc.. (Attachments: # 1 Exhibit A - Beacon Dev. K, # 2 Exhibit B - Beacon re Dania Property, # 3 Exhibit C - Piper

Agreement, # 4 Exhibit D - Beacon - email from Aguilar, # 5 Exhibit E - Aguilar - Grant - Mgmt. K, # 6 Exhibit F - EC Private Placement, # 7 Exhibit G - Beacon re Seminole, # 8 Exhibit H - PA - 2 bond strategy, # 9 Exhibit I - Brd Mtg - Piper Termination, # 10 Exhibit J - E Chan engagement ltr, # 11 Exhibit K - Bond Investor Presentation, # 12 Exhibit L - EC - JG re LOI, # 13 Exhibit M - DR-EC - Separate trans, # 14 Exhibit N - PA - EC - MOU, # 15 Exhibit O - ESJ No Construction, # 16 Exhibit P - Hapoalim no cost ltd, # 17 Exhibit Q - Fishing Bond Payment, # 18 Exhibit R - EC bond v lease, # 19 Exhibit S - 6-19-14 Board Mtg, # 20 Exhibit T - Final L2 PSA, # 21 Exhibit U - JG - EC re amort, # 22 Exhibit V - BB address issues, # 23 Exhibit W - EC - JG - ESJ Dev K, # 24 Exhibit X - ED-Wally -Not contact ESJ, # 25 Exhibit Y - Hapoalim Atty Letter, # 26 Civil Cover Sheet Cover Sheet, # 27 Summon(s) Hapoalim Summons, # 28 Summon(s) E. Chan Summons, # 29 Summon(s) Fabio D'Ascola Summons)(Lee, Jermaine) (Entered: 05/07/2018)

Main Doc
(/docket/6467536/1/palm-beach-maritime-museum-inc-v-hapoalim-securities-usa-inc/)

2 May 7, 2018

Clerks Notice of Judge Assignment to Judge Donald M. Middlebrooks and Magistrate Judge Dave Lee Brannon. Pursuant to 28 USC 636(c), the parties are hereby notified that the U.S. Magistrate Judge Dave Lee Brannon is available to handle any or all proceedings in this case. If agreed, parties should complete and file the Consent form found on our website. It is not necessary to file a document indicating lack of consent. Pro se (NON-PRISONER) litigants may receive Notices of Electronic Filings (NEFS) via email after filing a Consent by Pro Se Litigant (NON-PRISONER) to Receive Notices of Electronic Filing. The consent form is available under the forms section of our website. (rms1) (Entered: 05/08/2018)

Main Doc

3 May 8, 2018

Summons Issued as to Edward Chan, Fabio D'Ascola, Hapoalim Securities USA, Inc.. (rms1) (Entered: 05/08/2018)

Main Doc

4 Jun 5, 2018

MOTION to Appear Pro Hac Vice, Consent to Designation, and Request to Electronically Receive Notices of Electronic Filing for Carol M. Goodman. Filing Fee \$ 75.00 Receipt # 113C-10706763 by Hapoalim Securities USA, Inc.. Attorney Stephen Bernard Gillman added to party Hapoalim Securities USA, Inc.(pty:dft). Responses due by 6/19/2018 (Gillman, Stephen) (Entered: 06/05/2018)

Main Doc Appear Pro Hac Vice

5 Jun 5, 2018

MOTION to Appear Pro Hac Vice, Consent to Designation, and Request to Electronically Receive Notices of Electronic Filing for Scott C. Ross. Filing Fee \$ 75.00 Receipt # 113C-10706795 by Hapoalim Securities USA, Inc.. Responses due by 6/19/2018 (Gillman, Stephen) (Entered: 06/05/2018)

Main Doc Appear Pro Hac Vice

6 Jun 5, 2018

MOTION Motion to Transfer and Incorporated Memorandum of Law by Hapoalim Securities USA, Inc.. (Gillman, Stephen) Modified relief on 6/6/2018 (asl). (Entered: 06/05/2018)

Main Doc Change Venue

7 Jun 5, 2018

MOTION to Dismiss 1 Complaint,,,,, by Hapoalim Securities USA, Inc.. Responses due by 6/19/2018 (Gillman, Stephen) (Entered: 06/05/2018)

Main Doc Dismiss

- 8 Jun 5, 2018 MEMORANDUM in Support re 7 MOTION to Dismiss 1 Complaint,,,,, by Hapoalim Securities USA, Inc.. (Gillman, Stephen) (Entered: 06/05/2018)
Main Doc
- 9 Jun 5, 2018 Amended MOTION Motion to Transfer and Incorporate Memorandum of Law re 6 MOTION Motion to Transfer and Incorporated Memorandum of Law by Hapoalim Securities USA, Inc.. (Gillman, Stephen) Modified relief on 6/6/2018 (asl). (Entered: 06/05/2018)
Main Doc Change Venue
- 10 Jun 5, 2018 NOTICE by Hapoalim Securities USA, Inc. re 5 MOTION to Appear Pro Hac Vice, Consent to Designation, and Request to Electronically Receive Notices of Electronic Filing for Scott C. Ross. Filing Fee \$ 75.00 Receipt # 113C-10706795, 4 MOTION to Appear Pro Hac Vice, Consent to Designation, and Request to Electronically Receive Notices of Electronic Filing for Carol M. Goodman. Filing Fee \$ 75.00 Receipt # 113C-10706763 Notice of Filing Proposed Orders (Gillman, Stephen) (Entered: 06/05/2018)
Main Doc
- 11 Jun 5, 2018 Corporate Disclosure Statement by Hapoalim Securities USA, Inc. Identifying Corporate Parent Bank Hapoalim B.M. for Hapoalim Securities USA, Inc. (Gillman, Stephen) (Entered: 06/05/2018)
Main Doc
- 12 Jun 8, 2018 ENDORSED ORDER granting 4 Motion to Appear Pro Hac Vice, Consent to Designation, and Request to Electronically Receive Notices of Electronic Filing for Attorney Carol M. Goodman. The Clerk of Court shall provide all electronic filings to Carol M. Goodman at cgoodman@herrick.com. Signed by Judge Donald M. Middlebrooks on 6/8/2018. (kal) (Entered: 06/08/2018)
Main Doc
- 13 Jun 8, 2018 ENDORSED ORDER granting 5 Motion to Appear Pro Hac Vice, Consent to Designation, and Request to Electronically Receive Notices of Electronic Filing for Attorney Scott C. Ross. The Clerk of Court shall provide all electronic filings to Scott C. Ross at sross@herrick.com. Signed by Judge Donald M. Middlebrooks on 6/8/2018. (kal) (Entered: 06/08/2018)
Main Doc
- 14 Jun 18, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer by Palm Beach Maritime Museum, Inc.. (Attachments: # 1 Text of Proposed Order Proposed Order)(Lee, Jermaine) (Entered: 06/18/2018)
Main Doc Extension of Time to File Response/Reply/Answer
- 15 Jun 19, 2018 ENDORSED ORDER granting 14 Motion for Extension of Time. The deadline for Plaintiff to file a response to Defendant Hapoalim Securities Motion to Dismiss (DE 7) is extended to July 3, 2018. To the extent Defendant requires an extension of time to file a reply brief, Defendant must file a motion setting forth specific reasons for such relief. Responses due by 7/3/2018 Signed by Judge Donald M. Middlebrooks on 6/19/2018. (kal) (Entered: 06/19/2018)
Main Doc
- 16 Jun 19, 2018 ENDORSED ORDER. Having granted Plaintiff's Motion for Extension of Time (DE 15), the deadline for Plaintiff to file a response to Defendants' Motion to Transfer (DE 9) is extended to July 3, 2018. Signed by Judge Donald M. Middlebrooks on 6/19/2018. (kal) (Entered: 06/19/2018)

- Main Doc
- 17 Jul 3, 2018 RESPONSE in Opposition re 9 Motion to Change Venue filed by Palm Beach Maritime Museum, Inc.. Replies due by 7/10/2018. (Attachments: # 1 Exhibit April 15 Contract, # 2 Exhibit June 19 Contract)(Lee, Jermaine) (Entered: 07/03/2018)
- Main Doc
- 18 Jul 3, 2018 RESPONSE in Opposition re 7 MOTION to Dismiss 1 Complaint,,,,, filed by Palm Beach Maritime Museum, Inc.. Replies due by 7/10/2018. (Lee, Jermaine) (Entered: 07/03/2018)
- Main Doc
- 19 Jul 6, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 17 Response in Opposition to Motion, 18 Response in Opposition to Motion by Hapoalim Securities USA, Inc.. (Attachments: # 1 Text of Proposed Order Proposed Order)(Gillman, Stephen) (Entered: 07/06/2018)
- Main Doc Extension of Time to File Response/Reply/Answer
- 20 Jul 8, 2018 PAPERLESS ORDER granting 19 The deadline for Defendant Hapoalim Securities USA, Inc. to file a reply in support of its motion to dismiss (DE 7) is extended to July 20, 2018. Signed by Judge Donald M. Middlebrooks on 7/8/2018. (tfa) (Entered: 07/08/2018)
- Main Doc
- 21 Jul 8, 2018 PAPERLESS ORDER. In light of the Court's granting Defendant Hapoalim Securities USA, Inc.'s Motion for Extension of Time (DE 19), the deadline for Defendant Hapoalim Securities USA, Inc. to file a reply in support of its Motion to Transfer (DE 9) is extended to July 20, 2018. Signed by Judge Donald M. Middlebrooks on 7/8/2018. (tfa) (Entered: 07/08/2018)
- Main Doc
- 22 Jul 17, 2018 REPLY to Response to Motion re 9 Motion to Change Venue filed by Hapoalim Securities USA, Inc.. (Gillman, Stephen) (Entered: 07/17/2018)
- Main Doc
- 23 Jul 20, 2018 REPLY to Response to Motion re 7 MOTION to Dismiss 1 Complaint,,,,, filed by Hapoalim Securities USA, Inc.. (Gillman, Stephen) (Entered: 07/20/2018)
- Main Doc
- 24 Aug 8, 2018 MOTION for Extension of Time Serve Summons on Other Defendants by Palm Beach Maritime Museum, Inc.. Responses due by 8/22/2018 (Attachments: # 1 Text of Proposed Order Proposed Order)(Lee, Jermaine) (Entered: 08/08/2018)
- Main Doc Extension of Time
- 25 Aug 9, 2018 PAPERLESS ORDER granting in part and denying in part 24 Motion for Extension of Time. The deadline for Plaintiff to serve Defendants Edward Chan, Fabio D'Ascola, Bill Buckhart, and Patricia Aguiar is extended to September 6, 2018. Signed by Judge Donald M. Middlebrooks on 8/9/2018. (tfa) (Entered: 08/09/2018)
- Main Doc
- 26 Aug 14, 2018 NOTICE by Palm Beach Maritime Museum, Inc. Notice of Summons and Amended Summons (Attachments: # 1 Summon(s) Amended Summons - Fabio D'Ascola, # 2 Summon(s) Summons - William Burkhart) (Lee, Jermaine) (Entered: 08/14/2018)
- Main Doc
- 27 Aug 15, 2018 Amended Summons Issued as to Fabio D'Ascola. (Is) (Entered: 08/15/2018)

Main Doc

28 Aug 15, 2018 Clerks Notice to Filer re: Summons(es) cannot be issued. The party(ies) on the summons(es) does not match the initiating documents (ls) (Entered: 08/15/2018)

Main Doc

29 Aug 15, 2018 NOTICE by Palm Beach Maritime Museum, Inc. re 28 Clerks Notice to Filer re: Electronic Case, Summons(es) (Attachments: # 1 Summon(s) Summons for Bill Burckhart) (Lee, Jermaine) (Entered: 08/15/2018)

Main Doc

30 Aug 16, 2018 Summons Issued as to Bill Burckhart. (ls) (Entered: 08/16/2018)

Main Doc

31 Sep 6, 2018 MOTION for Service by Publication by Palm Beach Maritime Museum, Inc.. (Attachments: # 1 Exhibit Ex A - Proof of Service - Fabio, # 2 Exhibit Ex B - Lack of Service - Ed Chan, # 3 Text of Proposed Order Ex C - Proposed Order)(Lee, Jermaine) (Entered: 09/06/2018)

Main Doc

32 Sep 19, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 1 Complaint,,,,, by Fabio D'Ascola. Attorney Erin E Bohannon added to party Fabio D'Ascola(pty:dft). (Attachments: # 1 Text of Proposed Order)(Bohannon, Erin) (Entered: 09/19/2018)

Main Doc

33 Sep 23, 2018 PAPERLESS ORDER denying without prejudice 31 Motion for Service by Certified Mail. The Federal Rules of Civil Procedure permit individuals in the United States to be served "following state law for serving a summons in an action brought in courts of general jurisdiction... where service is made." Fed. R. Civ. Pro. 4(e)(1). Plaintiff represents that it has been unable to serve Defendant Edward Chan through other means and now seeks to serve him by certified mail at his place of employment in New Jersey. (DE 31 at 3). The New Jersey Rules of Procedure state that "[i]f service is made by mail, the party making service shall make proof thereof by affidavit which shall also include the facts of the failure to effect personal service and the facts of the affiant's diligent inquiry to determine defendant's place of abode, business or employment." N.J. R. Civ. Prac. 4:4-7. Plaintiff has not filed a completed and signed affidavit. See DE 31 at 2, n.4 ("The affidavits of attempted service are attached as Exhibit B. The New Jersey affidavit was provided to undersigned counsel unsigned."). Accordingly, Plaintiff's motion is denied without prejudice. Any renewed motion must include a signed affidavit consistent with N.J. R. Civ. Prac. 4:4-7. Signed by Judge Donald M. Middlebrooks on 9/23/2018. (kal) (Entered: 09/23/2018)

Main Doc

34 Sep 23, 2018 PAPERLESS ORDER granting 32 Unopposed Motion for Extension of Time. The deadline for Defendant Fabio D'Ascola to respond to Plaintiff's Complaint (DE 1) is extended to October 9, 2019. Signed by Judge Donald M. Middlebrooks on 9/23/2018. (kal) (Entered: 09/23/2018)

Main Doc

35 Sep 24, 2018 MOTION for Service by Publication by Palm Beach Maritime Museum, Inc.. (Attachments: # 1 Exhibit Ex A - Return of Service NJ affidavit, # 2 Text of Proposed Order Ex B - Proposed Order)(Lee, Jermaine) (Entered: 09/24/2018)

Main Doc

36 Sep 28, 2018

ORDER denying without prejudice 35 Renewed Motion for Leave to Serve Defendant Edward Chan by Certified Mail. Signed by Judge Donald M. Middlebrooks on 9/27/2018. See attached document for full details. (ls) (Entered: 09/28/2018)

Main Doc

- 37 Oct 3, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 1 Complaint,,,,, by Fabio D'Ascola. Attorney Marko Cerenko added to party Fabio D'Ascola(pty:dft). (Attachments: # 1 Text of Proposed Order Agreed Order on Unopposed Motion for Extension of Time to Respond to Plaintiff's Complaint) (Cerenko, Marko) (Entered: 10/03/2018)
- Main Doc
- 38 Oct 4, 2018 PAPERLESS ORDER granting 37 Unopposed Motion for Extension of Time. The deadline for Defendant Fabio D'Ascola to respond to Plaintiff's Complaint (DE 1) is extended to October 29, 2018. Signed by Judge Donald M. Middlebrooks on 10/4/2018. (kal) (Entered: 10/04/2018)
- Main Doc
- 39 Oct 16, 2018 NOTICE of Attorney Appearance by Joanne M. Foster on behalf of Edward Chan. Attorney Joanne M. Foster added to party Edward Chan(pty:dft). (Foster, Joanne) (Entered: 10/16/2018)
- Main Doc
- 40 Oct 16, 2018 Defendant's MOTION for Extension of Time to File Response/Reply/Answer as to 1 Complaint,,,,, by Edward Chan. (Attachments: # 1 Text of Proposed Order Proposed order)(Foster, Joanne) (Entered: 10/16/2018)
- Main Doc
- 41 Oct 17, 2018 PAPERLESS ORDER granting 40 Unopposed Motion for Extension of Time. Defendant Edward Chan must respond to Plaintiff's Complaint (DE 1) no later than November 14, 2018. No further extensions will be granted absent a compelling showing of good cause supported by specific facts. Signed by Judge Donald M. Middlebrooks on 10/17/2018. (kal) (Entered: 10/17/2018)
- Main Doc
- 42 Oct 26, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 1 Complaint,,,,, by Fabio D'Ascola. (Attachments: # 1 Text of Proposed Order Proposed Order on Fabio D'Ascola's Unopposed Motion for Enlargement of Time to Respond to Plaintiff's Complaint)(Cerenko, Marko) (Entered: 10/26/2018)
- Main Doc
- 43 Oct 29, 2018 PAPERLESS ORDER granting 42 Unoppsed Motion for Extension of Time. The deadline for Defendant Fabio D'Ascola to respond to Plaintiff's Complaint is extended to November 19, 2018. Signed by Judge Donald M. Middlebrooks on 10/29/2018. (kal) (Entered: 10/29/2018)
- Main Doc
- 44 Nov 14, 2018 Defendant's MOTION to Dismiss 1 Complaint,,,,, by Edward Chan. Responses due by 11/28/2018 (Foster, Joanne) (Entered: 11/14/2018)
- Main Doc
- 45 Nov 19, 2018 MOTION to Dismiss 1 Complaint,,,,, and Incorporated Memorandum of Law and Joinder in Hapoalim Securities USA, Inc.'s Motion to Dismiss Complaint [D.E. 7, 8] by Fabio D'Ascola. Responses due by 12/3/2018 (Cerenko, Marko) (Entered: 11/19/2018)
- Main Doc

- 46 Nov 26, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 44 Defendant's MOTION to Dismiss 1 Complaint,,,,, by Palm Beach Maritime Museum, Inc.. (Attachments: # 1 Text of Proposed Order Proposed Order)(Lee, Jermaine) (Entered: 11/26/2018)
- Main Doc
- 47 Nov 27, 2018 PAPERLESS ORDER granting 46 Unopposed Motion for Extension of Time. The deadline for Plaintiff Palm Beach Maritime Museum, Inc., to respond to Defendant Edward Chan's Motion to Dismiss (DE 44) is extended to December 3, 2018. No other deadlines are extended or modified as a result of this Order. Signed by Judge Donald M. Middlebrooks on 11/27/2018. (mbt) (Entered: 11/27/2018)
- Main Doc
- 48 Nov 28, 2018 ORDER REFERRING CASE to Magistrate Judge Dave Lee Brannon for Scheduling Conference, and Setting Trial Date. (Calendar Call set for 7/3/2019 01:15 PM in West Palm Beach Division before Judge Donald M. Middlebrooks., Jury Trial set for 7/8/2019 09:00 AM in West Palm Beach Division before Judge Donald M. Middlebrooks.) Signed by Judge Donald M. Middlebrooks on 11/28/2018. See attached document for full details. (ls) (Entered: 11/29/2018)
- Main Doc
- 49 Nov 30, 2018 PAPERLESS ORDER SETTING TELEPHONIC SCHEDULING CONFERENCE. Telephone Conference set for 12/4/2018 at 2:30 PM in West Palm Beach Division before U.S. Magistrate Judge Dave Lee Brannon. At that time, the parties shall call (888) 808-6929 and enter access code 2036573. Any motions to modify the existing trial date should be filed prior to the telephonic scheduling conference. Because of the expedited nature of the conference, the parties are relieved of Local Rule 16.1(b)s conference report requirement. The parties must be prepared at their assigned time but may have to wait 10-20 minutes before their conference begins, as the Court sets three cases per 30-minute time slot. Signed by Magistrate Judge Dave Lee Brannon on 11/30/2018. (spe) (Entered: 11/30/2018)
- Main Doc
- 50 Dec 3, 2018 Joint Motion to Modify July 8, 2019 Trial Date to Available Calendar in December 2019 by Hapoalim Securities USA, Inc.. Attorney Lonnie Lloyd Simpson added to party Hapoalim Securities USA, Inc.(pty:dft). (Simpson, Lonnie) Modified Relief on 12/4/2018 (ls). (Entered: 12/03/2018)
- Main Doc
- 51 Dec 3, 2018 RESPONSE in Opposition re 44 Defendant's MOTION to Dismiss 1 Complaint,,,,, filed by Palm Beach Maritime Museum, Inc.. Replies due by 12/10/2018. (Attachments: # 1 Exhibit Ex A - Trust Indenture and Loan K)(Lee, Jermaine) (Entered: 12/03/2018)
- Main Doc
- 52 Dec 3, 2018 RESPONSE in Opposition re 45 MOTION to Dismiss 1 Complaint,,,,, and Incorporated Memorandum of Law and Joinder in Hapoalim Securities USA, Inc.'s Motion to Dismiss Complaint [D.E. 7, 8] filed by Palm Beach Maritime Museum, Inc.. Replies due by 12/10/2018. (Lee, Jermaine) (Entered: 12/03/2018)
- Main Doc
- 53 Dec 4, 2018 PAPERLESS ORDER RESETTING TELEPHONIC SCHEDULING CONFERENCE: To accommodate a change in the Court's schedule, the telephonic scheduling conference in this matter is hereby reset to 12/6/2018 at 10:30 A.M. in the West Palm Beach Division. At that time, the parties shall call (888) 808-6929 and enter access code 2036573. Signed by U.S. Magistrate Judge Dave Lee Brannon on 12/4/2018. (jrz) (Entered: 12/04/2018)

Main Doc

54 Dec 4, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 51 Response in Opposition to Motion, by Edward Chan. (Attachments: # 1 Text of Proposed Order Proposed order)(Foster, Joanne) (Entered: 12/04/2018)

Main Doc

55 Dec 6, 2018 Paperless Minute Entry for proceedings held before U.S. Magistrate Judge Dave Lee Brannon: Telephonic Scheduling Conference held on 12/6/2018. Appearances: Jermaine Lee, Esq. for Plaintiff | Stephen Gillman, Esq. for Defendant Hapoalim Securities USA, Inc.; Joanne Foster, Esq. for Defendant Edward Chan; Marko Cerenko, Esq. for Defendant Fabio D'Ascola. Pretrial and scheduling matters discussed. Court grants in part Joint Motion to Modify Trial Date 50 . Order to follow. (Total Time in Court: 6 mins. | Digital: 10:44:04) (jrz) (Entered: 12/06/2018)

Main Doc

56 Dec 6, 2018 ORDER GRANTING JOINT MOTION TO MODIFY TRIAL DATE Calendar Call reset for 9/11/2019 01:15 PM before Judge Donald M. Middlebrooks. Jury Trial reset for 9/16/2019 09:00 AM before Judge Donald M. Middlebrooks. Signed by Magistrate Judge Dave Lee Brannon on 12/6/2018. See attached document for full details. (pcs) (Entered: 12/06/2018)

Main Doc

57 Dec 6, 2018 ORDER GRANTING JOINT MOTION TO MODIFY TRIAL DATE [DE 50], PRETRIAL SCHEDULING ORDER, AND ORDER REFERRING CASE TO MEDIATION: (Amended Pleadings due by 2/11/2019., Discovery due by 6/24/2019., Expert Discovery due by 6/24/2019., Fact Discovery due by 6/24/2019., Joinder of Parties due by 2/11/2019., Dispositive Motions due by 7/15/2019., In Limine Motions due by 7/15/2019., Motions due by 7/15/2019., Pretrial Stipulation due by 8/19/2019.), ORDER REFERRING CASE to Mediation. Signed by Magistrate Judge Dave Lee Brannon on 12/6/2018. See attached document for full details. (pcs) Pattern Jury Instruction Builder - To access the latest, up to date changes to the 11th Circuit Pattern Jury Instructions go to <https://pji.ca11.uscourts.gov> or click here. (Entered: 12/06/2018)

Main Doc

58 Dec 7, 2018 PAPERLESS ORDER granting 54 Unopposed Motion for Extension of Time. The deadline for Defendant Edward Chan to file a Reply in support of his Motion to Dismiss (DE 44) is extended to December 17, 2018. Signed by Judge Donald M. Middlebrooks on 12/7/2018. (kal) (Entered: 12/07/2018)

Main Doc

59 Dec 10, 2018 Unopposed MOTION for Extension of Time to File Response/Reply/Answer as to 52 Response in Opposition to Motion, to Dismiss by Fabio D'Ascola. (Attachments: # 1 Text of Proposed Order on Defendant's Unopposed Motion for Enlargement of time to Respond to Plaintiff's Opposition to Defendant's Motion to Dismiss) (Cerenko, Marko) (Entered: 12/10/2018)

Main Doc

60 Dec 13, 2018 PAPERLESS ORDER granting 59 Motion for Extension of Time. The deadline for Defendant Fabio D'Ascola to file a Reply in support of his Motion to Dismiss (DE 44) is extended to December 24, 2018. No other deadlines are modified or extended as a result of this Order. Signed by Judge Donald M. Middlebrooks on 12/13/2018. (kal) (Entered: 12/13/2018)

Main Doc

61 Dec 17, 2018 Defendant's REPLY to 51 Response in Opposition to Motion, to Dismiss by Edward Chan. (Foster, Joanne) (Entered: 12/17/2018)

Main Doc

- 62 Dec 20, 2018 Joint SCHEDULING REPORT - Rule 26(f) by Palm Beach Maritime Museum, Inc. (Lee, Jermaine) (Entered: 12/20/2018)
- Main Doc
- 63 Dec 20, 2018 NOTICE of Mediator Selection. Added Brian F Spector. (Lee, Jermaine) (Entered: 12/20/2018)
- Main Doc
- 64 Dec 20, 2018 Certificate of Interested Parties/Corporate Disclosure Statement by Palm Beach Maritime Museum, Inc. (Lee, Jermaine) (Entered: 12/20/2018)
- Main Doc
- 65 Dec 24, 2018 Defendant's REPLY to 52 Response in Opposition to Motion, to Dismiss by Fabio D'Ascola. (Cerenko, Marko) (Entered: 12/24/2018)
- Main Doc
- 66 Jan 4, 2019 MOTION for Extension of Time for 20 days to respond to First Discovery Requets by Palm Beach Maritime Museum, Inc.. Responses due by 1/18/2019 (Attachments: # 1 Text of Proposed Order Proposed Order)(Lee, Jermaine) (Entered: 01/04/2019)
- Main Doc
- 67 Jan 7, 2019 RESPONSE in Opposition re 66 MOTION for Extension of Time for 20 days to respond to First Discovery Requets filed by Hapoalim Securities USA, Inc.. Replies due by 1/14/2019. (Gillman, Stephen) (Entered: 01/07/2019)
- Main Doc
- 68 Jan 7, 2019 PAPERLESS ORDER granting in part 66 Motion for Extension of Time. The deadline for Plaintiff Palm Beach Maritime Museum, Inc. to respond to Defendant Hapoalim Securities USA, Inc.'s first request for production and first set of interrogatories is extended to January 16, 2019. No other deadlines are modified or extended as a result of this Order. Signed by Judge Donald M. Middlebrooks on 1/7/2019. (kal) (Entered: 01/07/2019)
- Main Doc
- 69 Jan 11, 2019 Notification of Ninety Days Expiring by Hapoalim Securities USA, Inc. re 7 MOTION to Dismiss 1 Complaint,,,,, filed by Hapoalim Securities USA, Inc., 8 Memorandum filed by Hapoalim Securities USA, Inc., 9 Motion to Change Venue filed by Hapoalim Securitles USA, Inc. (Gillman, Stephen) (Entered: 01/11/2019)
- Main Doc
- 70 Jan 23, 2019 Defendant's MOTION to Compel Plaintiff to Provide Compliant (1) Discovery Responses to Interrogatories, and (2) Initial Damages Disclosures by Hapoalim Securities USA, Inc.. Responses due by 2/6/2019 (Attachments: # 1 Exhibit 1, # 2 Exhibit 2, # 3 Exhibit 3)(Gillman, Stephen) (Entered: 01/23/2019)
- Main Doc
- 71 Jan 25, 2019 Defendant's MOTION to Compel Plaintiff to Provide Compliant Responses to Hapoalim's First Request for Production by Hapoalim Securities USA, Inc.. Responses due by 2/8/2019 (Attachments: # 1 Exhibit A, # 2 Exhibit B)(Gillman, Stephen) (Entered: 01/25/2019)
- Main Doc

Newsletter

Sign up to receive the Free Law Project newsletter with tips and announcements.

Email Address


 Subscribe

Exhibit #7

Judy Lehman

August 2, 2019, Email Response



Robert Sheppard <robert.sheppard@palmbeachschools.org>

I.G. Case# 19-846 Palm Beach Maritime Academy (PBMA)

2 messages

Robert Sheppard <robert.sheppard@palmbeachschools.org>
To: Judy Lehman <judy.lehman@palmbeachschools.org>

Thu, Aug 1, 2019 at 4:36 PM

Ms. Lehman,

Attach is investigative report #19-846 (PBMA), please review the report in its entirety and note that you have 20-work days to respond. The 20 work day ends August 29, 2019.

If further clarity is required you may contact me via email or at (561) 649-6877 or PX#46877...

Thank you...

Robert L. Sheppard, Jr.
Auditor/Investigator SRI
Office of Inspector General
3138 Forest Hill Blvd., Suite C-306
West Palm Bch, FL 33406
Phone: (561) 649-6877
PX# 46877
Email: Robert.Sheppard@palmbeachschools.org

 **I.G. Case #19-846 Palm Beach Maritime Academy.pdf**
796K

Judy Lehman <judy.lehman@palmbeachschools.org>
To: Robert Sheppard <robert.sheppard@palmbeachschools.org>

Fri, Aug 2, 2019 at 5:24 PM

Thank you! I believe this was an accurate account of my info! Hope you have an uneventful school year!

All the Best!

Judy Lehman

"Develop success from failures. Discouragement and failure are two of the surest stepping stones to success." -- Dale Carnegie

[Quoted text hidden]

Exhibit #8

Daniel Rishavy

August 29, 2019, Email Response



Robert Sheppard <robert.sheppard@palmbeachschools.org>

Response to Inspector General Case No. 19-846 - Procurement Vendor

2 messages

Daniel Rishavy <drishavy@insightanalytics.us>To: "Oscar.Restrepo@palmbeachschools.org" <Oscar.Restrepo@palmbeachschools.org>,
"Robert.Sheppard@palmbeachschools.org" <Robert.Sheppard@palmbeachschools.org>

Thu, Aug 29, 2019 at 5:01 PM

Gentlemen,

Attached please find my response to the above-named matter.

Sincerely,

Daniel Rishavy

Link-Up, Inc. (also dba Insight Analytics)

954.325.4346

A handwritten signature in blue ink and a red date stamp that reads "AUG 29 2019". Below the signature, the words "INSPECTOR GENERAL" are printed in blue ink.

INSPECTOR GENERAL

 Daniel Rishavy response to Gen. Case No. 19-846 - Procurement Vendor.pdf
98K

Robert Sheppard <robert.sheppard@palmbeachschools.org>

To: Daniel Rishavy <drishavy@insightanalytics.us>

Fri, Aug 30, 2019 at 6:41 AM

Thank you...

Robert L. Sheppard, Jr.
Auditor/Investigator SRI
Office of Inspector General
3138 Forest Hill Blvd., Suite C-306
West Palm Bch, FL 33406
Phone: (561) 649-6877
PX# 46877
Email: Robert.Sheppard@palmbeachschools.org

[Quoted text hidden]

Link-Up, Inc.

11093 Harbour Springs Circle
Boca Raton, FL 33428

Robert Sheppard, CIGI, Senior Investigator
Oscar Restrepo, Director of Investigations
3318 Forest Hill Blvd., C-306
West Palm Beach, FL 33406
August 29, 2019



Dear Sirs,

I am in receipt of the letter dated 8/1/2019 referencing the findings of Inspector General Case No. 19-846 – Procurement Vendor.

With respect to my testimony, I request amendment as follows:

The second paragraph, third sentence of my testimony reads “Mr. Rishavy’s investigative findings concluded there was misconduct on behalf of Hapoalim Securities USA Inc., and that the agreement was negotiated under false pretenses.”

My testimony from that sentence to the conclusion should have stated:

“My Rishavy’s investigative findings concluded that the variance was so severe that PBMA could not meet its monthly financial obligations, and that there were substantial differences between the written materials and oral presentation provided by Hapoalim Securitas USA, Inc. After internal investigations assisted by Mr. Rishavy, the board retained legal counsel who concluded there was serious misconduct on behalf of Hapoalim Securities USA, Inc., and that the agreement was issued under false pretenses. The board further retained legal counsel to pursue litigation against Hapoalim Securities USA, Inc. The board appointed him (Mr. Rishavy) to be the official representative for the pending lawsuit moving forward against Hapoalim Securities USA Inc. and to assist the PBMA attorneys as requested. On May 7, 2018, PBMA filed a lawsuit against Hapoalim Securities USA Inc., and the lawsuit continues today. Mr. Rishavy stated that he has not received any funds from the lawsuit.”

Please accept my revision into the record. If needed, I can add to my testimony and provide support for the events described above. This memo was read at the publicly held governing board meeting on Wednesday August 28th, 2019. Two of the three current board members were also involved during the entire timeline of the events described above and agreed in the that the changes I made represented the facts surrounding their actions and my involvement in this matter. Upon review of the recording of the board meeting from December 20th, 2016, they also agreed that the minutes incorrectly stated that Scott Shelley said tht I will have other important business with his company. He stated that I will have other important business with the school. The board decisions on these matters will be reflected in the minutes from the August 29, 2019 meeting.

Sincerely,

Daniel Rishavy

Daniel Rishavy

President, Link-Up, Inc.