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INSIDE

LAW

ROBO-SIGNING CLAIM SENDS CASE BACK

The Fourth District Court of Appeal sent a foreclosure case involving Chase Home Finance back to Broward Circuit Court after the lender acknowledged the process may have been tainted by so-called robo-signing. **A2**

PROSECUTORS WANT JUDGE OFF CASE

Prosecutors from the U.S. Attorney's Office in Miami packed a courtroom as a judge reopened a volatile prosecutorial misconduct matter. **A4**

PALM BEACH CLERK CLOSING BRANCH



Palm Beach County Clerk Sharon Bock says she is cutting back her office's public hours and closing one satellite office to deal with a \$2.5 million budget cut imposed by the Legislature. **A4**

Bock

COMMERCIAL REAL ESTATE

BRICKELL BUILDING OWNER ADDS \$4 MILLION TO LOAN

The owner of a 136-unit apartment building in Miami's Brickell district added \$4.05 million to an existing loan. **A9**

AS MARKET IMPROVES, 1031 RETURNS

Lee David Medinets, senior counsel for Madison 1031, discusses how 1031 exchanges are returning to help property sellers qualify for capital gains tax deferral. **A10**

BANKING/FINANCE

BEIGE BOOK SHOWS SOME GROWTH

The Federal Reserve said the U.S. economy maintained a moderate pace of growth as factory output rose and the real estate market improved. **A11**

PUBLIC NOTICES & THE COURTS

Public notices, court information and business leads, including foreclosures, bid notices and court calendars. **B1**

Public notices from Miami-Dade, Broward and Palm Beach also available at DailyBusinessReview.com/public_notices.jsp. Public notices published in newspapers statewide available at FloridaPublicNotices.com.

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ON APPEAL Third DCA says juror 'flat out lied'

\$1.7 million judgment against Royal Caribbean overturned

by Noreen Marcus
Special to the Review

A trumpet player for a cruise ship orchestra who won a \$1.7 million judgment against his former employer must relinquish it because of a lying juror, a state appellate court ruled Wednesday.

Steven Pavone went from cruising

ontheweb
Read the opinion on
DailyBusinessReview.com

musician to part-time usher after the August 2001 incident aboard Royal Caribbean's Voyager of the Seas. He

slipped during a rehearsal, blamed his shoulder injury on oil spilled from a fog machine and filed a seaman's personal injury action.

The 2004 lawsuit filed in Miami-Dade Circuit Court claimed damages under the Jones Act for negligence and unseaworthiness and against

SEE RCCL, PAGE A5

VIEW FROM THE FED: South Florida has some safe harbors



CANDACE WEST

Dennis Lockhart, president of the Federal Reserve Bank of Atlanta, said in Fort Lauderdale that South Florida is gaining some traction for a recovery thanks to its reliance on international visitors and global investors. **See story, Page A11.**

FORECLOSURES Cash sought for acquisitions

First South Florida firm using EB-5 capital to buy, flip homes

by Paola Iuspa-Abbott
piuspa@alm.com

Eddy Kauffmann, a recently retired banker from Zurich, Switzerland, read about South Florida's foreclosure crisis at the peak of the U.S. recession and saw foreclosure signs planted on lawns when he and his family regularly vacationed in Miami.

He never imagined the foreclosure crisis could one day be his ticket to becoming a U.S. resident.

Two weeks ago, the U.S. Citizenship and Immigration Services approved



Kauffmann

SEE FLIPPING, PAGE A14

ELECTIONS 2012

Scott wants FDLE to look into justices' actions

by Adolfo Pesquera
apesquera@alm.com

While Governor Rick Scott is asking a state law enforcement agency to consider investigating three Florida Supreme Court justices, a Georgia-based conservative legal group has begun its own investigation.

The Southeastern Legal Foundation on Tuesday submitted open records requests to Justices R. Fred Lewis, Barbara Pariente and Peggy Quince as well as the chief justice and secretary of state in an attempt to determine whether the justices illegally raised campaign funds.



Quince

Parallel to that civil inquiry, Scott asked the Florida Department of Law Enforcement on Tuesday to look into whether a criminal investigation is warranted. Scott was

SEE JUSTICES, PAGE A5

VERDICTS & SETTLEMENTS

Depo pays off with three settlements for wreck victim

See Page A16



Jesse Bernheim



BANKING FINANCE

Atlanta Fed chief: South Florida has some safe harbors

by Gregg Fields
gfields@alm.com

The economy is being buffeted by some gale-force headwinds. There's the moribund job creation rate. There is a Eurozone nearly in recession. And there are signs that some economic stalwarts of recent years, such as Brazil and China, are slowing down from their white-hot growth rates.

But in South Florida, anyway, it isn't quite time to batten down the hatches, Dennis Lockhart, president of the Federal Reserve Bank of Atlanta, said in a speech Wednesday in Fort Lauderdale. The economic tempests are being kept at bay, at least to some degree, by some fundamental strengths acting as a fortress against the storms at hand.

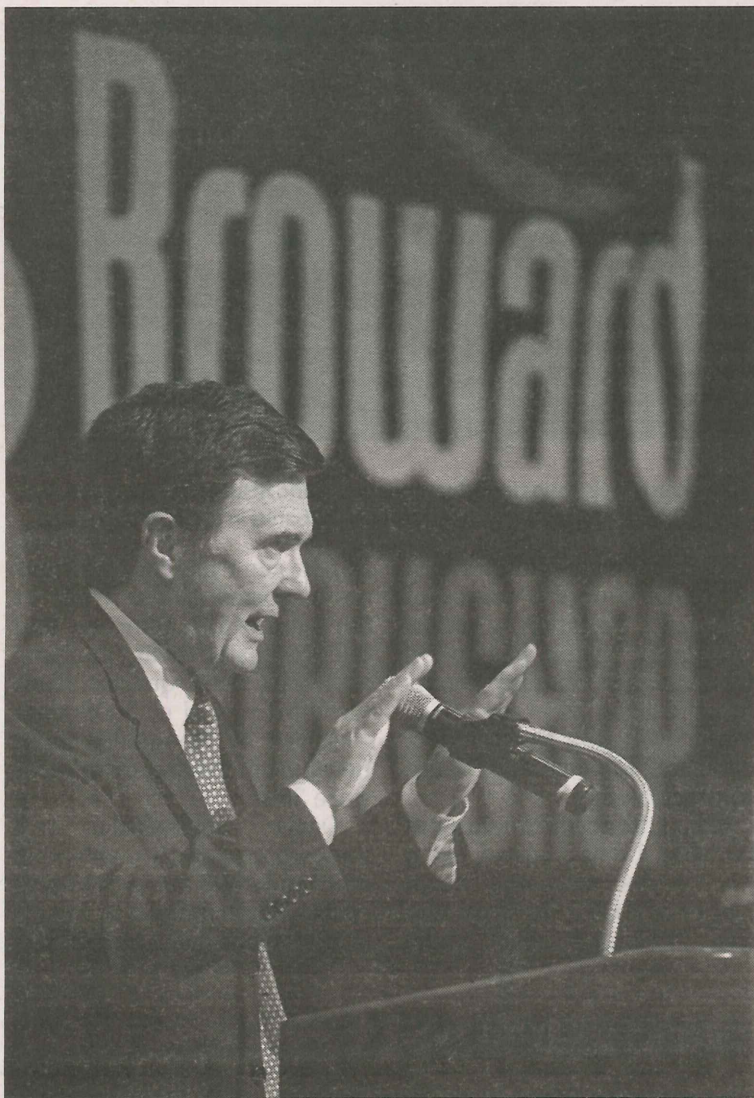
Specifically, Lockhart said the reliance on international visitors and global investors has meant that, in a region known for sandy shores, a recovery has nonetheless been able to gain traction.

With condos, for instance, "in Miami more than Fort Lauderdale, it's been an amazing turnaround," he said. "I understand in Miami there has been ground broken for a few new towers."

Meanwhile, in Broward, "the unemployment rate in the greater Fort Lauderdale area continues to decline, having reached 7.6 percent in April compared to a peak of 9.6 percent in 2009."

Much of the capital providing the boost has come from Latin America, which has also been ramping up visitor counts. "Looking ahead, our travel and tourism contacts expect this sector to show solid performance for the remainder of 2012," he said.

Lockhart addressed a gathering of the Broward Workshop, a business organization, which held a breakfast meeting at the Broward Center for the Performing Arts. And though



CANDACE WEST

Dennis Lockhart, president of the Federal Reserve Bank of Atlanta, said in Fort Lauderdale that South Florida is gaining some traction for a recovery thanks to its reliance on international visitors and global investors.

Lockhart said the recovery continues, he acknowledged that it still isn't clear how long, and how strong, the rebound will be — nationally or in South Florida.

"The economy remains in recovery, but as the disappointing employment numbers illustrate, the economy is working against some strong headwinds," he said.

These include the continued "deleveraging" of both households and major economic players like banks. Debt is dropping, along with spending and

lending. That sounds all right in theory — but the process itself is unsettling.

"Overall, deleveraging is arguably a fundamental improvement for the long term," he said. "However, over the medium term deleveraging is not conducive to spirited growth."

Meanwhile, housing prices remain depressed, and that has been a double whammy in South Florida, he said in response to an audience question. The questioner asked about access to capital for small businesses.

Beige Book shows moderate growth for U.S. economy

The Federal Reserve said Wednesday that the U.S. economy maintained a moderate pace of growth as factory output rose and the real-estate market improved.

"Overall economic activity expanded at a moderate pace" from early April to late May, the Fed said in its Beige Book business survey, which is based on reports from its 12 district banks. "Hiring was steady or increased slightly."

The report gives central bankers anecdotal evidence on the state of the world's largest economy two weeks before they meet in Washington. Atlanta Fed President Dennis Lockhart said in Fort Lauderdale Wednesday that an extension of the central bank's Operation Twist program to reduce borrowing costs is "on the table" following data that showed job growth in May was the weakest in a year.

Wednesday's report used language similar to the previous report in April, which said the economy "continued to ex-

pand at a modest to moderate pace" in all 12 Fed districts. That report also said that "hiring was steady or showed a modest increase across many districts."

The Fed said that "economic outlooks remain positive, but contacts were slightly more guarded in their optimism." Manufacturers were concerned "that a slowdown in Europe and domestic political uncertainty may affect future business decisions."

"Retail spending was flat to modestly positive in nearly all districts," the Fed said, and "demand for nonfinancial services was generally stable to slightly stronger since the previous report."

Manufacturing "continued to expand in most districts" and vehicle sales "remained strong," the Beige Book said. Most districts reported gains in production or new orders, except for Philadelphia, Richmond and St. Louis.

— Bloomberg News

"I know this is an ongoing frustration," Lockhart said. "We've seen a decline in the creation of new businesses, and a decline in the number of new employees at newly created businesses."

One big hurdle, during the boom, "a lot of startup capital wasn't coming from formal private equity," he said. "It was home equity lines of credit, which have largely dried up."

Similar to the mixed blessings of deleveraging, government payrolls are shrinking. That's not necessarily a bad thing in a macroeconomic sense, but it's coming at a time when jobs are badly needed. "These adjust-

ments take time and also limit the pace at which the economy can reasonably be expected to expand," he said.

But the biggest thing to fear, he said, may be fear itself. "It's clear that uncertainty is holding back hiring and capital expansion plans of U.S. businesses," he said.

That kind of defensive posture, he added, means no quick return to what used to be considered a normal economy. "As a result of these various headwinds, I expect the recovery to be slow and drawn out," he said.

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