IN THE 11TH JUDICIAL CIRCUIT COURT IN AND FOR MIAMI-DADE COUNTY, FLORIDA

GRANDVIEW PALACE CONDOMINIUM ASSOCIATION, INC.,

Plaintiff,

v. CASE NO.: DIVISION:

JAMES R. EDWARDS &

CHARLES C. EDWARDS &

ELLEN E. SHORTILL &

FLORIDA MUTUAL ASSURANCE TRUST, LLC, a dissolved Florida limited liability company,

Defendants.

COMPLAINT

PLAINTIFF, Grandview Palace Condominium Association, Inc., sues defendants, James R. Edwards, Charles C. Edwards, Ellen E. Shortill, and Florida Mutual Assurance Trust, LLC and alleges as follows.

Jurisdictional Allegations.

- 1. This is a cause of action for damages that exceed \$15,000.00.
- 2. This Court has subject matter jurisdiction pursuant to Fla. Stat. §26.012.
- 3. Venue is proper as the events giving rise to the causes of action herein occurred in Miami-Dade County, Florida.
- 4. Plaintiff, Grandview Palace Condominium Association, Inc., is a not-forprofit corporation, formed under the laws of the State of Florida, and is

- responsible for operating the Grandview Palace Condominium, a condominium situated in Miami-Dade County, Florida.
- 5. Defendant, James R. Edwards, is a natural person domiciled in Miami-Dade County and is *sui juris*.
- 6. Defendant, Charles C. Edwards, is a natural person domiciled in Baltimore County, Maryland and is *sui juris*.
- 7. Although, defendant Charles C. Edwards is a non-resident of the State of Florida, service of process on and personal jurisdiction over him is authorized by §48.193(1)(a) of the Florida Statutes because the causes of action sued on in this complaint arose from his operating, conducting, engaging in, or carrying on a business or business venture in Florida
- 8. Furthermore, service of process on and personal jurisdiction over defendant, Charles C. Edwards is authorized by §48.193(1)(b) of the Florida Statutes because the causes of action sued on in this complaint arose from his commission of a tortious act within Florida.
- 9. Defendant, Ellen E. Shortill, is a natural person domiciled in Washington, D.C. and is *sui juris*.
- 10. Service of process on and personal jurisdiction over defendant, Ellen E.

 Shortill is authorized by §48.193(1)(b) of the Florida Statutes because the causes of action sued on in this complaint arose from her commission of a tortious act within Florida.

11. Florida Mutual Assurance Trust, LLC, is a limited liability company formed under the laws of the State of Florida, which was administratively dissolved on September 16, 2005 for failing to file an annual report.

General Allegations.

- 12. The Grandview Palace Condominium (hereinafter, "GVP") was formed by the recording of the Declaration of Condominium therefor by its developer, First Equitable Realty III, Ltd.—an entity owned, controlled, and/or operated by Charles C. Edwards and James R. Edwards—on or about July 14th, 2003.
- 13. From July 14th, 2003 through May 16th, 2008, the GVP was under developer control, that is to say, the developer appointed a majority of GVP's board of administration, thereby controlling GVP's finances in a somewhat absolute manner.
- 14.At all times relevant to the allegations contained herein, James R. Edwards was the president of the GVP and a developer appointed director on its board of administration.
- 15.At all times relevant to the allegations contained herein, Charles C. Edwards was the vice-president of the GVP and a developer appointed director on its board of administration.
- 16.Upon information and belief, Charles C. Edwards and James R. Edwards were, at all times pertinent to this action, principals of First Equitable Realty III, Ltd.—the entity that was the developer of the GVP, as that term is defined in Fla. Stat. 718.103.

- 17.In fact, Charles C. Edwards executed the Declaration of Condominium for GVP as the president of the general partner of First Equitable Realty III, Ltd. Moreover, Charles C. Edwards is identified as chief executive officer of the developer in the prospectus for GVP. An excerpt of the prospectus is attached hereto as Exhibit "A."
- 18. During the period they controlled the GVP, Charles C. Edwards and James R. Edwards, as directors of the GVP, were required by Article 14.01 of GVP's Declaration of Condominium, to obtain and maintain liability insurance for GVP. An excerpt of the Declaration is attached hereto as Exhibit "B,"
- 19.On or about January 29th, 2004, Charles C. Edwards authored and sent a letter to the GVP, its Board of Directors, and its property manager, a letter indicating his intent and the alleged reasoning behind purchasing insurance from FMAT. A copy of that letter is attached hereto as Exhibit "C."
- 20.On or about January 29th, 2004, Charles C. Edward through or with his attorney, Juan C. Zorrilla, formed the Florida corporate entity "Florida Mutual Assurance Trust, LLC" (hereinafter, "FMAT").
- 21.FMAT's initial articles of organization filed with the Florida Secretary of State listed Charles C. Edwards, Vidal Sainz, Jr., and Juan C. Zorrilla as managing members. A copy of said Articles are attached hereto as Exhibit "D."
- 22. The Articles also list Juan C. Zorrilla's office as the address for FMAT.
- 23. Upon information and belief, FMAT was a shell company and never conducted business, did not open or maintain a legitimate office, had no

- employees, and was not licensed to broker, sell, or otherwise provide insurance products in the State of Florida, or anywhere else for that matter.
- 24.FMAT was administratively dissolved on September 16th, 2005 for failing to file an annual report.
- 25. On or about November 2, 2004 James Edwards, signed check number 698 in the amount of \$111,930.00 drawn on the GVP's operating account which check was made payable to "FL Mutual Insur. Trust, LLC C/O Shorthill Agency, 1824 Corcoran St. NW, Washington, DC 20009." A copy of said check is attached hereto as Exhibit "E."1
- 26. Ostensibly, check number 698 was payment for "Property Casualty and Wind Insurance," policy number "4FL0012." As part of GVP's official records, is what purports to be a "Casualty Insurance Policy," Policy number 4FL0012, allegedly issued by FMAT and insuring "GrandView Palace Condominium Assoc. DBA The GrandView Palace." A copy of said policy is attached hereto as Exhibit "F.".
- 27.On or about November 2, 2004 James Edwards, signed check number 699 in the amount of \$57,552.00 drawn on the GVP's operating account which check was made payable to "FL Mutual Insur. Trust, LLC C/O Shorthill Agency, 1824 Corcoran St. NW, Washington, DC 20009." A copy of said check is attached hereto as Exhibit "G."
- 28. Ostensibly, check number 699 was payment for "Commercial Liability Insurance." As part of GVP's official records, is what purports to be a

¹ There is not now and never has been an entity named "FL Mutual Insur. Trust, LLC" or any variation thereon, in any state in the United States.

- "Commercial Liability Insurance Policy," Policy number 6FL0014, allegedly issued by FMAT and insuring "GrandView Palace Condominium Assoc. DBA The GrandView Palace." A copy of said policy is attached hereto as Exhibit "H."
- 29.On or about November 2, 2004 James Edwards, signed check number 700 in the amount of \$4,547.00 drawn on the GVP's operating account which check was made payable to "FL Mutual Insur. Trust, LLC C/O Shorthill Agency, 1824 Corcoran St. NW, Washington, DC 20009." A copy of said check is attached hereto as Exhibit "I."
- 30. Ostensibly, check number 700 was payment for "Flood Insurance condo bldg. & garage," policy numbers 4FLD127 and 4FLD128, however, GVP has no records of any such policy and none existed
- 31.On or about March 9, 2005 James Edwards, signed check number 876 in the amount of \$59,701.00 drawn on the GVP's operating account which check was made payable to "FL Mutual Insur. Trust, LLC C/O Shorthill Agency, 1824 Corcoran St. NW, Washington, DC 20009." A copy of said check is attached hereto as Exhibit "J."
- 32. The total of the four checks was \$233,730.00.
- 33.At or before signing the checks, James R. Edwards knew or should have known that FMAT was not an insurance company and could not and would not provide GVP with valid insurance.

- 34.At or before signing the checks, James R. Edwards knew or should have known that FMAT was a company owned and controlled by Charles C. Edwards, his father.
- 35.All four checks were apparently deposited into the same account with Merrill, Lynch, Pierce, Fenner & Smith Inc., bearing account number 70507021 with the account name, "Florida Mutual Assurance Trust, LLC."
- 36. Upon information and belief account number 70507021 is a sub-account to master account number 70507013.
- 37. Upon information and belief, Charles C. Edwards and his wife own and/or control both accounts and are the only individuals authorized on said accounts.
- 38.All four checks were presented for payment to GVP's bank and GVP's bank paid all four checks.
- 39. As part of GVP's official records, are several "statements" purportedly from FMAT. Copies of said statements are attached hereto as composite Exhibit "K."
- 40.On or about March 6, 2006, defendant Ellen E. Shortill, sent a letter to the Plaintiff's manager confirming that she "brokered" the fraudulent insurance policy.
- 41.On or about April 14, 2006, defendant Ellen E. Shortill, sent a second letter to the Plaintiff's manager confirming that she "brokered" an insurance policy for the prior year to the Plaintiff. Copies of both of Shortill's written confirmations are attached hereto as Composite Exhibit "L."

- 42. Upon information and belief, said policy is fraudulent and a forgery and was not issued by a person or entity authorized to provide insurance in the State of Florida.
- 43. Upon information and belief, the payments made by James R. Edwards as set forth above, did not purchase valid insurance.
- 44. As a direct and proximate cause of the defendants' failure to obtain and maintain liability insurance for the GVP, GVP has been damaged in the form of two uninsured claims.

COUNT I. Civil Theft (as against defendants Charles C. Edwards, James R. Edwards, and Florida Mutual Assurance Trust, LLC).

- 45. Plaintiff adopts and re-alleges paragraphs 1 44 as set forth herein.
- 46. This is an action for civil theft pursuant to Fla. Stat. §772.11.
- 47. Defendants have obtained and/or used \$233,730.00 of Plaintiff's money without Plaintiff's permission.
- 48. Defendants did unlawfully and knowingly use or endeavor to use Plaintiff's money and did knowingly deprive or endeavor to deprive Plaintiff of its money with the intent to temporarily or permanently deprive Plaintiff of its right to the money and benefit thereof, all for defendants' own use, or the use of any person not entitled thereto, in violation of Florida Statute \$812.014.²

CONDE & COHEN, P.L.

² Fla. Stat. §812.014 provides, (1) A person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or to use, the property of another with intent to, **either temporarily or permanently**:

⁽a) Deprive the other person of a right to the property or a benefit from the property.

- 49. Pursuant to Florida Statute §772.11, Plaintiff made a final written statutory demand for its property on November 5th, 2008. A copy of the statutory demand sent to defendants, Charles C. Edwards, James R. Edwards, and FMAT are attached hereto as composite Exhibit "M."
- 50. To date, and despite demand by Plaintiff, defendants have failed to return Plaintiff's property.
- 51.As a direct and proximate cause of defendants' unlawful actions, Plaintiff was and continues to be deprived of its right to its property and the benefit therefrom, and has suffered damages in the minimum amount of \$233,730.
- 52. Pursuant to Florida Statute §772.11, Plaintiff is entitled to treble damages in the minimum amount of \$701,190.00 for the theft of its money committed by defendants.
- 53. As a direct result of defendants depriving Plaintiff of its right to possess and enjoy its money and the benefit therefrom, and defendants' continuing failure and refusal to return Plaintiff's property, Plaintiff was required to retain counsel and is obligated to pay its counsel a fee.
- 54.Plaintiff is entitled to an award of attorneys' fees pursuant to Fla. Stat. §772.11.

WHEREFORE, Plaintiff demands judgment in its favor and against defendants, Charles C. Edwards, James R. Edwards, and Florida Mutual Assurance Trust, LLC, jointly and severally, as follows:

A. Treble damages in the amount of \$701,190.00;

- B. Pre-judgment interest from the date each of the four checks were paid;
- C. Attorneys' fees and costs incurred in this matter;
- D. Any other and further relief this court deems proper.

COUNT II: Conversion (as against defendants Charles C. Edwards, James R. Edwards, and Florida Mutual Assurance Trust, LLC).

- 55. Plaintiff adopts and re-alleges paragraphs 1 44 as set forth herein.
- 56. This is an action for conversion of the Plaintiff's personal property by the defendants.
- 57.At all times herein mentioned, Plaintiff was, and still is, the owner and was, and still is, entitled to immediate possession of cash in the amount of \$233,730.00 which was wrongfully withdrawn from its account as set forth hereinabove.
- 58. Since November, 2004, defendants have knowingly, unlawfully, maliciously, and with the intent to indefinitely or permanently deprive Plaintiff of its property, took possession of Plaintiff's property which was on deposit in the Plaintiff's bank account.
- 59. Defendants have, without the consent of the Plaintiff, converted to their own use the above-mentioned property.

- 60. Plaintiff made a written demand for the return of its property, on November 8th, 2008, but defendants have failed and refused to return Plaintiff's property.
- 61. As a direct and proximate result of the wrongful acts of the defendants,
 Plaintiff has suffered general damages in the sum of at least \$233,730.00.
- 62.As a direct result of defendants' conversion of Plaintiff property, and defendants' continuing failure and refusal to return Plaintiff's property, Plaintiff was required to retain counsel and is obligated to pay its counsel a fee.
- 63. Plaintiff is entitled to an award of attorneys' fees pursuant to Fla. Stat. §57.105.

WHEREFORE, Plaintiff demands judgment in its favor and against the defendants Charles C. Edwards, James R. Edwards, and Florida Mutual Assurance Trust, LLC, jointly and severally, as follows:

- A. Damages in the amount of \$233,730.00; and
- B. Pre-judgment interest from the date each check was paid; and
- C. Attorneys' fees and costs incurred in bringing this action; and
- D. Any other and further relief this court deems proper.

COUNT III: Civil Conspiracy for Fraud (as against all defendants).

- 64. Plaintiff adopts and re-alleges paragraphs 1 44 as set forth herein.
- 65. This is a cause of action for civil conspiracy.

- 66.Defendants, Charles C. Edwards and Florida Mutual Assurance Trust, LLC, presented a fraudulent and forged insurance policy as well as fraudulent statements to the Plaintiff.
- 67. The insurance policy is fraudulent in that while it purports to provide liability coverage, it is no in any manner a valid policy of insurance, does not represent a valid policy of insurance, was not issued by an entity authorized to provide and/or sell insurance products in the State of Florida, and in fact, did not provide real insurance coverage to the Plaintiff.
- 68. The statements issued to the GVP requesting payment for the fraudulent policies are fraudulent in that they are essentially bills for non-existent insurance policies.
- 69. Defendants, Charles C. Edwards and FMAT intended for the Plaintiff to rely on the fact that the fraudulent and forged insurance documents were real and that real insurance coverage was in place under those documents.
- 70. Defendants, Charles C. Edwards and FMAT, presented the fraudulent and forged documents to the Plaintiff with the express purpose of inducing the Plaintiff to act thereon, i.e., make payment on the fraudulent invoices.
- 71. Plaintiff relied on the veracity of the documents presented by Defendants,
 Charles C. Edwards and FMAT, and the alleged insurance coverage
 thereunder and made payment to the defendants in the amount stated on
 the invoices.
- 72. Defendant, James R. Edwards, knew or should have known that FMAT was not a legitimate insurance company, that it was formed by his father, and

- that the documents presented to the Plaintiff and placed in the Plaintiff's official records were fraudulent and forged.
- 73. Defendant, James R. Edwards, knew that the payments he authorized and the checks he signed drawn on the Plaintiff's account that were made payable to FMAT, were actually being paid to his father personally and that no insurance was being provided in return for the payments made.
- 74. Defendant, Ellen E. Shortill, participated in the fraud by sending two separate written confirmations that she "brokered" the fraudulent insurance policies. Copies of both written confirmations are attached hereto as Composite Exhibit "N."
- 75. Defendant, Ellen E. Shortill, knew that the representations she made in her writings were false when she made them, and intended for the Plaintiff to rely upon them.
- 76. Plaintiff, at the time, believed defendant, Shortill's representations and did in fact rely upon them.
- 77. The actions of all of the defendants constitute a civil conspiracy justifying an award of compensatory and consequential damages.
- 78. The defendants committed unlawful acts in furtherance of the conspiracy and there was actual damage to the Plaintiff as a result of the conspiracy in the form of the wrongful taking of Plaintiff's money, specifically, \$233,730.00.

79. Plaintiff has been or will be consequentially damaged by several liability claims for which there is no insurance coverage as a result of the defendants' actions.

WHEREFORE, Plaintiff demands judgment in its favor and against the defendants Charles C. Edwards, James R. Edwards, Florida Mutual Assurance Trust, LLC, and Ellen E. Shortill, jointly and severally, as follows:

- A. Damages in the amount of \$233,730.00; and
- B. Pre-judgment interest from the date each check was paid; and
- C. Attorneys' fees and costs incurred in bringing this action; and
- D. Any other and further relief this court deems proper.

COUNT IV: Aiding and Abetting Fraud (as against defendants, James R. Edwards and Ellen E. Shortill).

- 80. Plaintiff adopts and re-alleges paragraphs 1 44 as if set forth fully herein.
- 81. As set forth hereinabove, defendants, FMAT and Charles C. Edwards, committed a fraud upon GVP.
- 82.Defendant, James R. Edwards, knew of the fraud committed by Charles C. Edwards and aided and abetted in said fraud by knowingly issuing GVP checks to pay for non-existent insurance policies.
- 83. Defendant, Ellen E. Shortill, knew of the fraud committed by Charles C.

 Edwards and further knew that she did not broker any insurance policies to or for GVP or FMAT and aided and abetted in said fraud and concealed said fraud by sending written confirmation to the GVP's property manager.

84. Defendants, James R. Edwards and Ellen E. Shortill, provided substantial

assistance to advance the commission of the fraud.

85. As a direct and proximate result of the defendants, James R. Edwards and

Ellen E. Shortill, aiding and abetting and advancing the fraud committed

upon GVP, GVP has been damaged.

WHEREFORE, Plaintiff demands judgment in its favor and against the

defendants, James R. Edwards and Ellen E. Shortill, jointly and severally, as follows:

A. Damages in the amount of \$233,730.00; and

B. Pre-judgment interest from the date each check was paid; and

C. Attorneys' fees and costs incurred in bringing this action; and

D. Any other and further relief this court deems proper.

Demand for Trial by Jury.

86. The Plaintiff demands a trial by jury on all issues so triable.

Submitted respectfully,

CONDE & COHEN, P.L.

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