

# **Trustee Cary Glickstein Charges Bonaventure 22 for \$ 1.1M in Alleged Fraudulent Transfers, Argues That 160 Royal Palm Purportedly Mislead Foreign Investors At the Direction of Its Principal**

*June 22, 2021, Souther District of Florida – Cary Glickstein, solely in his capacity as the liquidating trustee of 160 Royal Palm, LLC (the “Debtor”), files a complaint against Bonaventure 22, LLC (the “Defendant”), alleging that within the six (6) years preceding the Debtors’ bankruptcy, the Debtor, acting at the direction of its principal Matthews, transferred at least \$1,150,000 of the Debtor’s funds to or for the benefit of the Defendant.*

Before the petition date, the Debtor was supposedly an owner of real property subject to a hotel construction project located at 160 Royal Palm Way, Palm Beach, Florida 33480, locally known as the Palm House Hotel (the “Hotel Project”). Allegedly, the Palm House Hotel has a tortured history of being in a state of redevelopment for many years with no one owner being able to complete the project. Matthews was allegedly an insider of the Debtor and the person in control of the Debtor.

In his complaint, The Trustee asserts that Matthews, along with Joseph Walsh (“Walsh”), used the Hotel Project to purportedly solicit over \$40,000,000.00 in investments from

foreign nationals (the "EB-5 Investors") under an EB-5 Immigrant Investor Program (the "EB-5 Program ") based on the promise of eased acquisition of green cards and lawful residency in the United States. The Trustee contends that Matthews allegedly misled the EB-5 Investors to believe that the EB-5 funds were being used to develop the Hotel Project, when in reality the EB-5 funds were used for the personal benefit of Matthews, his family, and his co-conspirator, Walsh. The Trustee argues that Matthews and his cohort, Walsh, purportedly used the EB-5 Program as a vehicle to commit massive fraud on the EB-5 Investors.

Accordingly, the Trustee brought an action to avoid alleged fraudulent transfers worth \$1.1M under Section 548 of the bankruptcy code and according to 11 U.S.C. § 544(b), Fla. Stat. § 726.105(1)(a), 28 U.S.C. § 2415(a), and 28 U.S.C. § 2416.

The case is *In re 160 Royal Palm, LLC*, Case Number: 19-19441-EPK in the United States Bankruptcy Court for Southern District of Florida. The Trustee is represented by the law firm of Shraiberg, Landau & Page, P.A.