

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

IN RE:

PALM COVE, INC.,

CASE NO.: 10-50435-KKS

CHAPTER: 7

Debtors.

MARY W. COLON, AS TRUSTEE
ANDREW PACE, AND ED HINES,

Plaintiffs,

v.

ADV. PRO. NO.: 11-05010-KKS

JOSEPH WAKSTEIN, *et al.*,

Defendants.

**FINAL JUDGMENT FOR CERTAIN DEFENDANTS AS TO MATTERS LITIGATED
IN PHASE I TRIAL**

THIS MATTER came before the Court on the Plaintiffs' Revised and Amended Complaint (Doc. 74), the Answers and Affirmative Defenses filed by the Defendants (Doc. 71)¹, and the *Order On March 28, 2013 Status Conference (Doc. 200) and Regarding Scheduling of Trial* (Doc. 223), which separated the trial of this case into two phases. Phase I of the Trial was held on January 13 & 14, 2014 and encompassed "those transactions alleged by Plaintiffs which were in the nature of discounted home sales by the Debtor, and home expense payments made by the Debtor for the benefit of certain Defendants,"² related to Defendants Ron MacKendree, Johnny Reynolds, Joseph Bradley Wakstein, Joshua Todd Wakstein, Karon Wakstein and Gary Wakstein.³ Based on the testimony and evidence presented at Phase I of the Trial, it is

¹ The Defendants' Response to Revised and Amended Pleading: Answer, Affirmative Defenses, and Motion to Dismiss (Doc. 71) was filed prior to the Revised and Amended Complaint (Doc. 74) because the amended complaint was filed as an exhibit to Plaintiffs' Stipulated Motion to File Revised and Amended Pleading (Doc. 59).

² Doc. 223, p. 2.

³ *Id.*

ORDERED:

1. Judgment on Phase I of the Trial is entered against the Plaintiff and in favor of the following Defendants on the following Counts:

- a. Gary Wakstein as to Count I- Breach of Fiduciary Duty- Shareholders' Derivative;
- b. Ron MacKendree as to Count XII- Fraudulent Transfer;
- c. Johnny Reynolds as to Count XIV- Fraudulent Transfer; and
- d. Karon Wakstein as to Count XX- Fraudulent Transfer.

Plaintiff shall go hence without day as to these Defendants as to Phase I of the trial.

2. At the conclusion of the trial the Court announced that Motions For Judgment on Partial Findings made at the conclusion of the evidence on behalf of the following Defendants would be granted:

- a. Joseph Bradley Wakstein;
- b. Joshua Todd Wakstein.

3. By separate order the Court will schedule and notice the trial on the claims and defenses pertaining to Phase II of this adversary proceeding. All evidence presented at the Phase I trial shall be deemed admitted for the Phase II trial. The parties have requested a total of one week for the Phase II trial, which the Court shall schedule either during the same week or in segments spread over more than a one week period.

4. The Court reserves jurisdiction as to all remaining claims, damages, attorneys' fees and costs.

DONE and ORDERED in Tallahassee, Florida on this the 12th day of March 2014.



Karen K. Specie.
United States Bankruptcy Judge

cc: All interested parties