

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
West Palm Beach Division  
[www.flsb.uscourts.gov](http://www.flsb.uscourts.gov)

In re: Case No. 21-15555 -EPK

PALM BEACH RESORT AND BEACH CLUB Chapter 11  
CONDOMINIUM ASSOCIATION, INC.,

Debtor.

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**DISBURSING AGENT’S MOTION TO MODIFY DISTRIBUTION PROCESS**

Maria Yip, Disbursing Agent (“Disbursing Agent”) for the bankruptcy estate (the “Bankruptcy Estate”) of Palm Beach Resort and Beach Club Condominium Association, Inc. (the “Debtor”), by and through its undersigned counsel<sup>1</sup>, moves, pursuant to 11 U.S.C. § 105(a), 11 U.S.C. §1193, and ¶9.03 of the Confirmed (the “Confirmation Order”)[ECF # 97] *Plan of Liquidation* (the “Plan”) [ECF #53] to modify the distribution process (“Motion”). In support of the Motion, the Disbursing Agent states as follows:

**BACKGROUND**

***The Bankruptcy Case, Confirmed Plan and the Sale of the Units***

1. On June 4, 2021 (the “Petition Date”), the Debtor filed its voluntary petition for relief under Subchapter V, Chapter 11 of the United States Code (the “Bankruptcy Code”).
2. On November 10, 2021, the Debtor confirmed its Plan of Liquidation. The *Order Confirming the Chapter 11 Plan of Liquidation* was entered on November 16, 2021.

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<sup>1</sup> On March 2, 2022, the Disbursing Agent, pursuant to the terms of the Plan of Liquidation [ECF # 53] as confirmed [ECF # 97], formally retained the undersigned counsel, Ido Alexander and AlignX Law, as well as Alessandra Stivelman and Eisinger Law, as former counsel for the Debtor.

3. Pursuant to the terms of the confirmed plan, Maria Yip was designated the role of Disbursing Agent, and assumed full responsibility for carrying out the terms of the Plan upon the closing date of the sale of the Units owned by the Debtor and the Unit-Week Interest Owners, which was contemplated in the Plan, and as approved by the Court on February 11, 2022 (the "Sale Order") [ECF # 111].

4. The sale transaction successfully closed on March 2, 2022, and all proceeds from the sale as well as all remaining funds held in the Debtor's accounts were transferred to the Disbursing Agent contemporaneously therewith.

5. The Disbursing Agent has begun the disbursement process pursuant to the procedures provided for by the Plan and the Sale Order [ECF #111].

**THE DISTRIBUTION PROCESS SHOULD BE MODIFIED**

6. Upon assumption of her role as Disbursing Agent and the start of the distribution process, the Disbursing Agent noted the need for modification to the disbursement process to further enhance it for the benefit of all Owners of Unit-Week Interests.

7. Pursuant to paragraph 9.012 of the Plan and paragraph 12(d) of the Confirmation Order, and following the sale transaction, the Disbursing Agent is responsible for management of all wind-down affairs of the Debtor's estate.

8. Pursuant to paragraphs 9.05 and 9.06 of the Plan, as confirmed, any check to Owner(s) of Unit-Week Interest(s) that are not cashed within 90 days are forfeited to the Debtor's Bankruptcy Estate and are then subject to re-distribution to other Owner(s) of Unit-Week Interest(s), but after payment of any amounts due and owed to administrative professionals.

9. The Disbursing Agent believes the foregoing process will result in an inequitable result to the detriment of those Owner(s) of Unit-Week Interest(s) who may not have been able to deposit checks in time.

10. Accordingly, the Disbursing Agent proposes a modification to the distribution process outlined in paragraph 9.05 and 9.06 of the Plan such that any payment that is not deposited by Owner(s) of Unit-Week Interest(s) within 90 days of issuance of such payment shall be sent by the Disbursing Agent to the State of Florida Unclaimed Funds with their associated name. The Disbursing Agent believes this minor modification to be fair and equitable and is in line with the existing distribution process previously approved for the Unknown Heirs of Owner(s) of Unit-Week Interest(s) under paragraph 11(D) of the Sale Order.

11. Further, pursuant to paragraph 13 of the Confirmation Order, the Plan may be modified at any time after confirmation of the Plan and before substantial consummation of the Plan.

12. The Plan is still in the process of the distribution to Owner(s) of Unit-Week Interest(s) and therefore is not substantially consummated. At present, distributions to Owners of Unit-Week Interests have begun, and it is still unknown how many checks will not be cashed by the due date.

13. Accordingly, the Disbursing Agent requests the Court approve the modification proposed herein because it benefits all Owner(s) of Unit-Week Interest(s) and results in a better and more equitable distribution process.

WHEREFORE, the Disbursing Agent respectfully requests that the Court enter an Order: (a) granting the Motion; (b) modifying the distribution process under the Plan to

provide that any payment that is not deposited by Owner(s) of Unit-Week Interest(s) within 90 days of issuance of such payment shall be sent by the Disbursing Agent to the State of Florida Unclaimed Funds with their associated name; and (c) granting such other and further relief deemed necessary under the circumstances.

Dated: April 15, 2022.

**ALIGNX LAW**

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for the Bankruptcy Estate of Debtor, Palm  
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By: \_\_\_\_\_ /s/ \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on April 15, 2022, to all parties on the list to receive e-mail notice/service for this case, via the Notice of Electronic Filing (which is incorporated herein by reference).

By: \_\_\_\_\_ /s/ \_\_\_\_\_  
Ido J. Alexander