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## DAILY BUSINESS REVIEW

### PNC Bank Gets Pulled Into EB-5 Visa Fraud Claim Tied to Palm Beach Investment

by Lidia Dinkova

PNC Bank and a Boynton Beach vice president are the latest to be pulled into litigation alleging EB-5 investment fraud on an unfinished Palm Beach project.

The Pittsburgh-based bank eased withdrawals for the developer that solicited the investments for the Palm House Hotel at 160 Royal Palm Way, a Palm Beach Circuit Court lawsuit claims. The project was envisioned as a 79-unit hotel-condominium financed with help from EB-5 visa investors.

The building was sold March 8 in bankruptcy proceedings for \$40.6 million, but an appeal is planned by an affiliate of Wellington developer Glenn Straub, a previous owner.

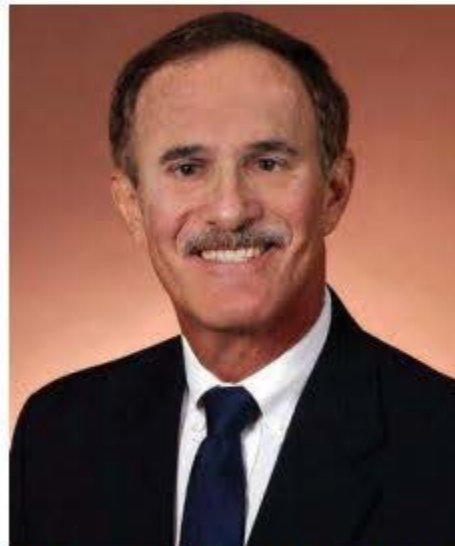
A lawsuit filed March 1 claims a PNC account received deposits from the foreign investors, but what was billed as an escrow account actually was a checking account allowing developer Robert Matthews and Joseph Walsh Sr., founder of the South Atlantic Regional Center LLC, to "cut through the obstacles and red tape" and makes withdrawals.

The 53 Chinese, Iranian and Turkish investors, who collectively ponied up \$26.5 million for the project, named the bank and branch vice president Ruben Ramirez as defendants in the lawsuit. The complaint lists counts of aiding and

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## After Plane Crash Kills 4 Partners, Law Firm Plans 'to Stick Together'

by Dylan Jackson



In the wake of the tragedy, Peterson Bernard partner Bill Martin said he and his colleagues have been struck by the outpouring of support from clients, attorneys and judges.

Peterson Bernard partner Bill Martin wants people to know that his firm will persevere.

Two weeks ago, firm co-founder and Martin's business partner of 32 years, Eric Peterson, died in a plane crash in western Palm Beach County along with pilot Eduardo Mulet and three other Peterson Bernard colleagues — Ted Mortell, Heather Bridwell and Mathew Fiorello — as they were returning from a client meeting in Tampa.

Now, Martin is in charge of leading Peterson Bernard into its new, uncertain future without its two founders. Peterson co-founded the firm in 1981 with Leonard Bernard, who died in 1996.

Martin came on in 1987 after becoming a partner on a handshake, an anecdote he said speaks to the culture that Peterson fostered at the firm.

"His era of practicing law goes back to when people can trust each other on a handshake. Now everything is technical and on paper and people feel very intimidated by their clients," Martin said. "But that wasn't the case in Eric's era."

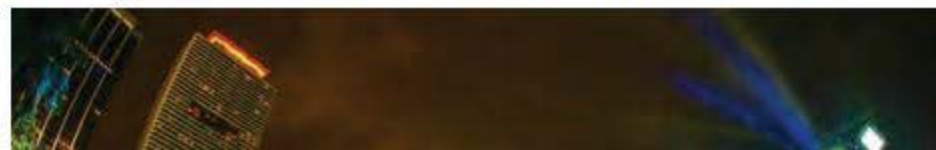
The firm still has 10 partners, including Martin, and 16 total attorneys. All three of the firm's offices have been open, and clients are being redistributed mainly by geography.

In fact, on March 9, just hours after Peterson Bernard attorneys heard of the crash, they sprung into action, even as they tried to cope with the tragedy.

"I was surprised to see that lawyers came in on Saturday morning to hit the ground running, reaching out to clients and rescheduling meetings," Martin said. "It's a huge loss and things will never be the same. But our intention is to stick together."

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## Ultra Music Festival's 2019 Edition Hangs in Balance in Miami Courtroom



## No New Trial for Florida Woman Caught Hiring Fake Hit Man on 'Cops' Episode

by Raychel Lean

The Fourth District Court of Appeal has doomed a request for a new trial for Delia Dinnelito, convicted in 2017 of



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abetting fraud and fraudulent inducement, aiding and abetting breach of fiduciary duty, aiding and abetting conversion and unjust enrichment.

"The way I look at it is that there was this vault of money. If we had had a real escrow account, there would be no keys to the vault and it would have stayed locked," said the investors' attorney, David George. "But because there was the fake escrow account created, PNC Bank and Mr. Ramirez handed the keys to the vault to the other people who defrauded our clients and basically opened the doors to the vault without our clients knowing."

All of the investors' money was taken, and they didn't receive conditional residency under the EB-5 program, said George, managing shareholder at George Gesten McDonald in Lake Worth.

A PNC Bank representative declined to comment, and its attorneys, **Mandel**



SHUTTERSTOCK

**PNC Bank eased withdrawals for the developer that solicited the investments for the unfinished Palm House Hotel, a lawsuit claims.**

**& Mandel partner Nina Stillman Mandel in Miami** and Ballard Spahr partner Peter Hardy in Philadelphia, didn't return a request for comment by deadline.

Attempts to reach Ramirez at the PNC branch and other numbers were unsuccessful by deadline.

Money initially went into a SunTrust Bank escrow account. The complaint said a South Atlantic Regional Center executive and Ramirez already had a banking relationship. Ramirez and another PNC represen-

tative initially said the bank's escrow account would run just like SunTrust's, which would make withdrawals difficult.

"Walsh was extremely disappointed and unhappy at this news because such requirements would limit his ability to gain unrestricted access to the EB-5 investors' investment monies," the complaint said.

PNC and Ramirez then suggested a "workaround": open a business checking account that looked like an escrow account with escrow

service modules and the words "escrow account" in its name.

PNC knew what it was doing because it had experience with other EB-5 projects, according to the complaint. The Palm House Hotel investors weren't warned, and the withdrawals were processed.

Before the 2016 presidential election, investors were told Donald Trump and Bill Clinton would serve on the Palm House Hotel advisory board, and the likes of Celine Dion, Tony Bennett and Bill Koch were hotel club members.

Investors claim their money purchased a 151-foot yacht and two properties in rural Connecticut.

Emails to Walsh and SARC weren't returned by deadline. Wiggin and Dana partner David Ring in Washington, Matthews' attorney in a separate but related case, declined to comment.

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