



# Michael S. Budwick

## Partner and Co-Chair, Financial Fraud Group

"He's one of the most experienced fraud litigators in the country and has a lot of big case experience. He has the canny knack of figuring out the weak and strong points of a case and doesn't get distracted." - Chambers USA

**Commercial Litigation, Bankruptcy and Restructuring,  
Financial Frauds, Receivership and Assignments,  
Creditors' Rights**



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### **About Michael S. Budwick**

Michael S. Budwick is regularly involved in the most contentious and complex litigation and insolvency matters, having successfully litigated or resolved a broad array of commercial disputes. In Chambers USA he has been described as "an extraordinary litigator, and a determined and tenacious guy" as well as "a highly skilled lawyer with a niche in financial fraud cases."

Michael has handled business and bankruptcy related litigation matters involving lender liability, breach of fiduciary duty, negligence, fraud, aiding and abetting, professional malpractice, equitable subordination, breach of contract, usury and fraudulent transfer. His significant Chapter 11 reorganization experience includes representation of debtors, official committees, creditors and trustees in cases across many industries.

Michael has represented trustees, receivers, creditors and victims in some of the country's largest, most high-profile financial fraud cases. In the \$2 billion Ponzi scheme perpetrated by Tom Petters (the third largest Ponzi in U.S. history), Michael served as litigation oversight counsel coordinating strategy and managing several law firms collectively pursuing hundreds of millions of dollars in litigation claims. In the \$1 billion Ponzi perpetrated by Jeff Carpoff, the largest fraud in the history of the Eastern District of California, Michael serves as special counsel to the Chapter 7 Trustee, pursuing claims against banks, legal and accounting professionals, and many others. Michael recovered \$49 million from General Electric Capital Corp., one of the largest tort recoveries ever against a financial institution for its alleged joinder in a Ponzi scheme. Michael has also recovered \$16.8 million from BMO Harris Bank, \$11.6 million from KeyBank, \$9 million

from Heritage Bank, and \$5.4 million from Ocean Bank, among other seven and eight figure recoveries subject to confidentiality restrictions.

Michael is listed Band 1 – the highest placement – in the category Bankruptcy Litigation in Florida of the 2024 Chambers USA Guide, a prestigious ranking of the top attorneys in the country. He has been recognized since 2005 in Chambers as a top bankruptcy and restructuring lawyer and rated highly for his expertise in financial fraud.

The Guide mentions that “Michael has a very sharp mind and is very strong on all areas of bankruptcy” and that he “maintains his reputation as a highly accomplished bankruptcy attorney, with expertise in advising on Ponzi scheme-related bankruptcy.” The Guide has also noted: “his expertise in Chapter 11 reorganization matters, with experience representing debtors, trustees and commercial committees.”

He has served on the National Council, the Miami Executive Council and the Miami Beach Board of the American Israel Public Affairs Committee.

## **Education**

- University of Florida College of Law, J.D. with honors, 1991
- University of Florida College of Business Administration, B.S. with honors, 1988
- Beta Gamma Sigma National Honor Society

## **Memberships**

- Board Member, Rabbi Alexander S. Gross (RASG) Hebrew Academy
- Past first Vice-President, Treasurer and Director of the Bankruptcy Bar Association for the Southern District of Florida
- Past Member of the Florida Bar Grievance Committee

## **Awards/Rankings**

- Ranked, Chambers USA Guide, Band 1, Bankruptcy Litigation in Florida, 2020-2024
- Ranked, Chambers USA Guide, Litigation: General Commercial in Florida, 2020-2024
- The Daily Business Review: Most Effective Lawyer 2016 Finalist, Bankruptcy Category
- Florida Super Lawyers, 2006-2024
- AV Preeminent Judicial and Peer Rating by Martindale-Hubbell
- Recognized as an elite attorney by *Florida Trend Magazine*
- The Best Lawyers in America, listed in the practice areas of Bankruptcy and Creditor-Debtor Rights/Insolvency and Reorganization Law

## Representative Matters

Practice Area	Representative Matters
Bankruptcy and Restructuring, Financial Frauds, Commercial Litigation, Creditors' Rights	Represent bankruptcy trustee for two South Florida-based hedge funds that lost \$651 million in a multi-billion Ponzi scheme perpetrated by Thomas J. Petters in Minneapolis, the third-largest financial fraud in American history. Successfully prosecuted over 100 actions and claims against banks, law firms, accounting firms and others, recovering in the aggregate well over \$200,000,000, including \$49,000,000 from General Electric Capital Corporation and \$16,000,000 from BMO Harris Bank, N.A. Represent client as a member of the Petters Company, Inc., Liquidating Trust Committee. Served as special counsel to the PCI Liquidating Trust to manage and resolve hundreds of millions of dollars in litigation claims.
Financial Frauds and Commercial Litigation	Meland Budwick serves as special litigation counsel to Christina Lovato, the chapter 7 bankruptcy trustee in Reno, Nevada for DC Solar Solutions, Inc. and certain affiliates (DC Solar). Jeffrey Carpoif and others pled guilty to perpetrating a \$1 billion Ponzi scheme through DC Solar. The firm is prosecuting all litigation claims held by the trustee. To date the firm has recovered tens of millions of dollars, including settlements with KeyBank for \$11.6 million, DC Solar's accountants for \$11.25 million, Heritage Bank for \$9 million, and a NASCAR subsidiary for \$5.75 million. The firm is prosecuting other actions, including claims for negligence and breach of fiduciary duty seeking hundreds of millions of dollars in damages against an Am Law 100 firm that served as DC Solar's legal counsel.
Bankruptcy	Served as Chapter 11 counsel to IT'SUGAR LLC, a specialty candy retailer with approximately 100 stores and over 700 employees across 28 states. Through extensive negotiations with dozens of landlords, IT'SUGAR was able to obtain millions of dollar in pre and post-petition rent relief, restructure vendor debt, and successfully confirm a Chapter 11 plan of reorganization.
Bankruptcy	Confirmed Chapter 11 Plan for upscale South Beach restaurant.
Bankruptcy	Representation of affiliate of BBX Capital in connection with protecting its interests as a secured creditor Chapter 11 bankruptcy of Robovault high tech storage facility in Fort Lauderdale.
Bankruptcy and Restructuring	Pan American Hospital - represented the successful purchaser of a landmark operating hospital for over \$34 million through a Chapter 11 Section 363 sale.

Bankruptcy and Restructuring	Represented the Official Committee of Unsecured Creditors in the Falcon Air bankruptcy.
Bankruptcy and Restructuring	Represented Creditors Committee in Cabi Downtown, LLC (Everglades by the Bay) twin 49 story downtown Miami condominium towers with over \$200 million in debt.
Bankruptcy and Restructuring	Representation of the official committee of unsecured creditors in a Chapter 11 case of sugar processing and retail business.
Bankruptcy and Restructuring, Commercial Litigation	Supra Telecommunications & Systems, Inc. - represented the largest CLEC in the Southeastern United States in its Chapter 11 Reorganization, litigating numerous contentious matters with Bellsouth and successfully reducing Bellsouth's claim from approximately \$170 million to approximately \$37.5 million and ultimately confirmed a plan.
Bankruptcy and Restructuring, Commercial Litigation	New World Network International Ltd. - representation of a group of minority shareholders in a telecommunications Chapter 15 bankruptcy pending in the Southern District of New York and litigated whether a foreign proceeding in Bermuda should be recognized as a main proceeding as well as other venue issues.
Bankruptcy and Restructuring, Commercial Litigation, Creditors' Rights	Condominium Developer Workouts - during the downturn of the real estate and condominium market, represented numerous developers in workouts with senior secured and mezzanine lenders, including, Corus Bank, Fremont, Key Bank and Ocean Bank.
Bankruptcy and Restructuring, Commercial Litigation, Creditors' Rights	New Florida Properties, Inc. (Blue and Green Diamond) - representation of the equity holder and its affiliates in connection with the 630 unit landmark Blue and Green Diamond condominium projects on Miami Beach. Prosecuted tort claims against the senior secured participating lenders, including, Union Planters and Ocean Bank. MRB raised claims against the lenders for equitable subordination and lender liability resulting in the bank group waiving over \$6 million in debt and agreeing to permit the equity holder to retain control over the disposition of the units.
Bankruptcy and Restructuring, Commercial Litigation, Financial Frauds	Representation of the Chapter 7 Trustee and Michael Budwick served as the receiver appointed by the United States District Court in a \$19 million Ponzi scheme case perpetrated by Thomas Abrams. Brought a variety of litigation claims and reached a multi-million dollar settlement of an aiding and abetting claim against Fidelity Federal Bank & Trust, N.A.
Bankruptcy and Restructuring, Financial	Represented group of major clawback defendants in Lancer Partners financial fraud case.

Frauds, Commercial Litigation	
Bankruptcy and Restructuring, Financial Frauds, Commercial Litigation, Creditors' Rights	Represented largest creditor in Evergreen Securities bankruptcy in Orlando, Florida, involving \$214 million ponzi scheme.
Bankruptcy and Restructuring, Financial Frauds, Commercial Litigation, Creditors' Rights	Represented largest victim in Ponzi scheme perpetrated by Scott Rothstein and Rothstein Rosenfeldt & Adler, P.A. law firm in Fort Lauderdale.
Bankruptcy and Restructuring, Financial Frauds, Commercial Litigation, Creditors' Rights	Puig, Inc. - representation of the Official Joint Committee of Unsecured Creditors and then the Plan Administrator in connection with 26 debtor affiliates in the business of condominium conversions. The asserted unsecured claims exceeded \$100 million. Prosecuted claims against third parties include actions for avoidance of transfers, professional malpractice, usury, fraud and breach of fiduciary duty.
Commercial Litigation	Representation of shareholders of close corporation in eight figure settlement of lender liability claims against consortium of financial institutions.
Commercial Litigation	Representation of minority shareholders in derivative action related to corporation holding real estate investments with tens of millions of dollars in equity.
Commercial Litigation, Creditors' Rights	Represented owner of Grand Bay Hotel in Coconut Grove in successful workout with lender.
Commercial Litigation	Representation of the principal of a large South Florida based company accused of breach of fiduciary duty and negligence by the company's creditors.
Commercial Litigation	Represented multiple individual and corporate plaintiffs, including Berjaya Group (Cayman) Limited and Prime Gaming Philippines, Inc. in litigation against Duffy's Holdings, Inc. involving allegations of breaches of a stock purchase agreement regarding the multi-national restaurant chain of Roadhouse Grill, Inc.
Financial Frauds, Bankruptcy	Representation of the chapter 7 bankruptcy trustee of an entity through which its principal operated a \$40+ million ponzi scheme. The principal has been sentenced to more than 15 years in prison.

Financial Frauds,  
Bankruptcy and  
Restructuring

Court appointed Mark S. Meland as Receiver for Innovida Companies run by Claudio Osorio. After discovering an approximately \$50 million fraud, ceased operations and filed Chapter 11 for numerous entities. Mark S. Meland was appointed the Chapter 11 Trustee and liquidated tangible assets. Firm serves as litigation counsel to the Chapter 7 trustee in numerous avoidance and tort actions seeking to collect funds for defrauded investors.

Receiverships and  
Assignments

A Florida State Court appointed Mark Meland as Receiver over entities controlled by Claudio Osorio, including Innovida Holdings, Inc. The firm represented Mr. Meland in his efforts as Receiver.

Commercial Litigation

Represented a leading real estate brokerage firm in its claims for malpractice, fraud, and breach of fiduciary duty against separate accounting firms and individual accountants. The matter resolved presuit for a confidential amount paid to our client.