

Seller of industrial property to Blackstone sues ex-partners for \$5M

Blackstone bought the three-building complex near Miami International Airport for \$56M in 2019

Miami / By Lidia Dinkova



Airport Trade Center at 3108 NW 72nd Avenue (Google Maps)

Blackstone's \$56 million purchase of an industrial property near Miami International Airport closed nearly two years ago, but the legal fight among the sellers is still brewing. Samuel Friedman alleges that he was shortchanged more than \$5.1 million by the other three sellers of Airport Trade Center – Haim Yehezkel, Roy Mussaffi and Joseph Cohen. The funds were tied to brokerage commissions, a promised property management fee and his cut of the deal proceeds, he alleges in the suit filed in Miami-Dade Circuit Court last month.

Friedman sued Yehezkel, Mussaffi, Cohen and the four investors' Airport Trade Center LLC, their entity that owned the 14-acre property at 3208 and 3108 Northwest 72nd Avenue.

Friedman's lawsuit comes after Airport Trade Center LLC sued him in January 2020. The complaint alleges that he abused his exclusive oversight of a property bank account by siphoning money for personal use. This included paying his restaurant tabs, monthly dues at the Trump National Doral golf resort, auto insurance, and a traffic ticket, as well as bills from Amazon, Best Buy, Costco, Home Depot, Whole Foods and Verizon, according to the complaint. The lawsuit also claims Friedman refused to turn in financials and understated lease revenue, leading to a discount in the sale price.

Airport Trade Center LLC sold the three-building industrial complex in 2019 to Blackstone Group for **\$56 million**, after buying it in 1999 for \$13 million.

Jorge Guttman, who represents Airport Trade Center LLC, said Friedman's claims are "without merit" and vowed that it will be revealed that Airport Trade Center LLC is in the right. Guttman, a shareholder at Gunster in Miami, also said that he will represent Yehezkel and Cohen, and that Mussaffi hasn't been served with the complaint.

Yehezkel and Mussaffi lead Miami Beach-based Elysee Investment, which owns and manages South Florida commercial real estate. They didn't return requests for comment left at Elysee.

Yehezkel has been involved in other litigation. In 2019 he sued **Ugo Colombo's** CMC Group, which developed the Brickell Flatiron, seeking a reduction of the **\$22.5 million** price he and a partner agreed to pay for the tower's retail and restaurant space. He claimed there were secret construction plan changes, according to his suit.

In the lawsuit filed by Airport Trade Center LLC, Yehezkel, Mussaffi and Cohen allege that when they asked Friedman about property financials, he tried to cover up that he had siphoned funds by replenishing \$105,914, and then withdrawing the funds to make it look like the money was used for property business. Friedman was "discomforted" by their inquiries and told them he wants to sell his stake, according to the complaint.

Friedman's attorney, Marko Cerenko, countered that Yehezkel, Mussaffi and Cohen came up with the allegations as a way to avoid paying Friedman. Friedman managed the property well, and increased its value by nearly fully leasing it and completing capital improvements, according to Cerenko, a Kluger Kaplan shareholder in Miami. Friedman generated \$8 million in revenue to the ownership group, according to his complaint.

When the partnership decided to sell, Yehezkel, Mussaffi and Cohen wanted to buy other real estate through a 1031 exchange. But Friedman, who at 86 is older than the other

three investors, said he wanted to get a payout for his retirement, Cerenko said. The other three initially agreed, but then sued him days before his payment was due, according to Cerenko.

“He feels very taken advantage of, a lot of it because of his age, the sweat he had put into this company for the past 15 years, only to be treated this way,” Cerenko said.

Shortly after selling the Airport Trade Center, Yehezkel, Mussaffi and Cohen bought the PMG Plaza retail center at 1101 North Federal Highway in Fort Lauderdale for **\$15.8 million**. It was a 1031 exchange, along with \$6.4 million and \$4 million purchases of Hallandale Beach retail centers, according to Friedman’s complaint.

Friedman is seeking liens against the affiliates Yehezkel, Mussaffi and Cohen used to buy the three properties.

Friedman’s claim for \$5.1 million includes \$700,000 for brokering the Airport Trade Center sale through his Guardian Trust Realty; \$3.7 million for his 10 percent ownership stake; and \$720,000 for his management of the site. In total, the agreement was for Friedman to get \$1.72 million for taking over property management in the early 2000s, according to court filings.

Cerenko added that when issues arose, Friedman “reluctantly” agreed to forgo \$720,000 from this payment. But Friedman is now seeking it, as the agreement to deduct this payment was only verbal, Cerenko said.