

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

MERIDIAN HOLDINGS GROUP, LLC,
a Florida limited liability company,

Plaintiff,

v.

COASTAL VENTURE PARTNERS, INC.,
a Delaware corporation,

Defendant.

Civil Action No.: 1:24-cv-04417-DLB

COMPLAINT FOR DAMAGES

JURY TRIAL DEMANDED

COMES NOW the Plaintiff, Meridian Holdings Group, LLC (hereinafter "Plaintiff" or "Meridian"), by and through undersigned counsel, and hereby files this Complaint against Defendant, Coastal Venture Partners, Inc. (hereinafter "Defendant" or "Coastal"), and in support thereof states as follows:

I. PARTIES

1. Plaintiff Meridian Holdings Group, LLC is a Florida limited liability company with its principal place of business located at 1820 Brickell Avenue, Suite 300, Miami, Florida 33129. Meridian is a real estate investment and asset management firm that has operated in the South Florida market since 2011.

2. Defendant Coastal Venture Partners, Inc. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business located at 450 Park Avenue, 18th Floor, New York, New York 10022. Coastal is engaged in the business of private equity investment and commercial real estate financing and regularly conducts business in the State of Florida.

II. JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332, as complete diversity exists between the parties — Plaintiff is a citizen of Florida and Defendant is a citizen of Delaware and New York — and the amount in controversy exceeds \$75,000, exclusive of interest and costs.

4. This Court also has jurisdiction pursuant to 28 U.S.C. § 1331, as certain claims herein arise under federal law, including the Securities Exchange Act of 1934.

5. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(2), as a substantial part of the events and omissions giving rise to the claims occurred in Miami-Dade County, Florida, within this judicial district, and the real property at issue is located within this district.

III. FACTUAL ALLEGATIONS

6. In or around March 2023, Plaintiff and Defendant entered into a binding Letter of Intent and subsequently a Joint Venture Agreement (hereinafter "the Agreement") for the purpose of acquiring, developing, and operating a mixed-use commercial property located at 3300 NW 2nd Avenue, Miami, Florida 33127 (hereinafter "the Property").

7. Pursuant to the Agreement, Plaintiff agreed to contribute its development expertise, local licensing, and an initial capital investment of \$2,400,000, while Defendant agreed to arrange senior financing and contribute equity capital in the amount of \$5,800,000 no later than sixty (60) days following execution of the Agreement.

8. In reasonable and justifiable reliance on Defendant's representations and obligations under the Agreement, Plaintiff expended substantial sums in furtherance of the joint venture, including but not limited to: architectural and engineering fees totaling \$318,500; environmental assessment costs of \$47,200; permit application fees of \$93,750; and carrying costs on the Property of approximately \$124,000.

9. Defendant failed to contribute the agreed-upon capital by the contractually required date of June 15, 2023, or at any time thereafter. Despite repeated written demands from Plaintiff on June 22, July 8, July 29, and August 14, 2023, Defendant continued to delay performance, providing materially false assurances that funding was imminent.

10. On September 2, 2023, Defendant issued a written notice purporting to "withdraw" from the Agreement without legal justification, citing internal restructuring — a basis not recognized as a valid basis for termination under the Agreement or applicable law.

11. As a direct result of Defendant's breach and wrongful withdrawal, Plaintiff lost a binding purchase agreement on the Property, forfeited a \$210,000 earnest money deposit, suffered the loss of anticipated profits conservatively estimated at \$3,200,000, and incurred additional costs and reputational harm in an amount continuing to accrue.

IV. CAUSES OF ACTION

FIRST CAUSE OF ACTION — BREACH OF CONTRACT

12. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

13. The Joint Venture Agreement constitutes a valid, binding, and enforceable contract between Plaintiff and Defendant, supported by adequate consideration.

14. Plaintiff fully performed, or was excused from performance of, all of its material obligations under the Agreement.

15. Defendant materially breached the Agreement by failing to contribute the required equity capital, by providing false representations regarding the status of financing, and by purporting to terminate the Agreement without legal basis.

16. As a direct and proximate result of Defendant's breach, Plaintiff has suffered damages in excess of \$6,400,000, including lost profits, forfeited deposits, and development expenditures.

SECOND CAUSE OF ACTION — FRAUDULENT MISREPRESENTATION

17. Plaintiff re-alleges and incorporates by reference all preceding paragraphs as though fully set forth herein.

18. Defendant made repeated material representations to Plaintiff — both in writing and orally — that committed financing was secured and that capital contributions would be funded by specified dates.

19. These representations were false when made. Defendant knew or should have known of their falsity at the time they were made, and made them with the intent to induce Plaintiff to continue performing under the Agreement and to refrain from seeking alternative financing partners.

20. Plaintiff justifiably relied on Defendant's representations to its substantial detriment. As a direct result, Plaintiff is entitled to compensatory and punitive damages.

THIRD CAUSE OF ACTION — UNJUST ENRICHMENT (IN THE ALTERNATIVE)

21. In the alternative, if the Agreement is found unenforceable for any reason, Defendant has been unjustly enriched by receiving the benefit of Plaintiff's substantial preparatory work, market analysis, permitting efforts, and professional relationships, without compensating Plaintiff therefor.

22. It would be inequitable for Defendant to retain such benefits without payment, and Plaintiff is entitled to restitution in an amount to be determined at trial.

V. DAMAGES

23. As a direct and proximate result of the acts and omissions of Defendant described herein, Plaintiff has suffered the following damages:

- a. Forfeiture of earnest money deposit in the amount of \$210,000;
- b. Wasted development expenditures totaling not less than \$583,450;
- c. Lost profits and loss of business opportunity estimated at no less than \$3,200,000;
- d. Consequential damages arising from Plaintiff's inability to pursue alternative projects during the period of Defendant's false assurances;
- e. Punitive damages arising from Defendant's intentional and fraudulent conduct;
- f. Pre- and post-judgment interest at the maximum rate permitted by law;
- g. Reasonable attorneys' fees and costs; and
- h. Such other and further relief as this Court deems just and proper.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiff Meridian Holdings Group, LLC respectfully prays that this Court enter judgment in its favor and against Defendant Coastal Venture Partners, Inc., as follows:

1. Award Plaintiff compensatory damages in an amount no less than \$4,000,000, with the precise amount to be determined at trial;
2. Award Plaintiff punitive damages in an amount sufficient to punish Defendant's willful and fraudulent conduct and to deter similar conduct in the future;
3. Award Plaintiff its reasonable attorneys' fees and litigation costs pursuant to applicable law and the terms of the Agreement;
4. Award Plaintiff pre- and post-judgment interest at the maximum legal rate;
5. Grant injunctive relief as appropriate to prevent Defendant from dissipating assets pending resolution of this action; and
6. Grant such other and further relief as this Court deems just, equitable, and appropriate.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff hereby demands a trial by jury on all issues so triable.

Respectfully submitted,

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Dated: October 3, 2024

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