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Homestead Wins Dispute Over Traffic Patterns

by Celia Ampel
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A \$3 million fraud lawsuit against Homestead ended in the city netting about \$300,000.

The litigation began in 2012 over La Ley Sports Complex, a project that gave new life to a stadium that fell into disrepair after Hurricane Andrew. The Homestead stadium was built to attract Major League Baseball spring training, but it remained mostly unused until Miami attorney John Ruiz bought it for \$16 million in 2011.

Ruiz is known for his Spanish-language financial advice show La Ley TV and leads the Law Offices of La Ley con John H. Ruiz. He planned to renovate the sports complex and use it for youth tournaments.

La Ley Sports knew the property abutted an elementary school, middle school and high school that opened in fall 2011 after rehabilitation began on the sports complex.

The company approached Homestead for information about how the new high school would attract traffic around the stadium, according to Miami-Dade Circuit Judge Gill Freeman's March



A.J.M. HOLT

Attorneys Eric Hockman, Anne Reilly and Joseph Serota won about \$300,000 for Homestead after defending the city against a \$3 million lawsuit.

4 findings after a bench trial.

Homestead provided information that was "significantly and materially different from the traffic pattern" it approved in its negotiations with the school, Freeman found, leaving out a stadium roadway that would see heavy traffic during school pickup and drop-off times.

When school started, the road was filled with cars at the beginning and end of the school day, which kept employees, athletes and spectators from getting to the stadium on time, Ruiz testified.

La Ley Sports sued Homestead in May 2012, claiming the city fraudulently

misrepresented traffic patterns for the nearby schools. The company estimated its damages at \$2.8 million to \$3.1 million.

The limited liability company also alleged the city failed to include La Ley Sports on an insurance policy, leading the insurer to reject La Ley Sports' \$334,000 claim after a theft.

Homestead's attorneys argued the city had no obligation to tell La Ley Sports about road use and that the company didn't do its due diligence to investigate traffic patterns. The Coral Gables attorneys with Weiss Serota

Helfman Cole & Bierman also argued La Ley Sports had the right to shut off stadium road access at any time.

The city also filed a counterclaim, alleging La Ley Sports owed Homestead about \$614,000 for utilities, unpaid insurance reimbursement and other fees. La Ley Sports argued it should not have to pay for insurance after the city failed to provide coverage to the company.

Freeman found in the city's favor on the fraud claim, noting Weiss Serota partner Joseph Serota asked Ruiz whether he knew the company had a right to close the road and keep the schools from using it. Ruiz said yes, adding the company did close the road.

The finding came despite La Ley Sports protests, company attorney Phillip Holden of the Alvarez Law Firm in Coral Gables said in an email to the Daily Business Review. Holden worked on the case with firm partner Alex Alvarez.

"When LLS did close off the disputed entryway, its president was threatened

civily and criminally by the city's mayor," Holden said.

Freeman found in favor of Homestead on its counterclaim and in favor of La Ley for its insurance-related claim with a net gain for Homestead of about \$300,000. Final judgment has not yet been entered.

"We are currently considering our appellate options at this time," Holden said.

Serota said Homestead didn't want to settle the case because the city wanted to demonstrate it had not committed fraud on the sale of the sports complex.

"The sports complex is a major asset of the city," Serota said. "The city was hopeful that La Ley would be successful in developing the sports complex, and the city was not happy that it didn't work out. But the failure of the business was the result of a lack of a business plan, not because of fraud by the city."

Serota tried the case with Eric Hockman and Anne Reilly of his firm.

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La Ley Sports Complex v. City of Homestead

Case no.: 2012-018206-CA-01

Description: Fraud

Filing date: May 8, 2012

Verdict date: March 4, 2016

Judge: Miami-Dade Circuit Judge Gill Freeman

Plaintiffs attorney: Phillip Holden and Alex Alvarez, The Alvarez Law Firm, Coral Gables

Defense attorneys: Joseph Serota, Eric Hockman and Anne Reilly, Weiss Serota Helfman Cole & Bierman, Coral Gables

Verdict amount: Defense verdict on fraud and breach of insurance contract claims. On other claims, \$614,000 for Homestead and \$335,000 for La Ley.