

Club Owner Hit With \$60M Judgment For Phone Repair Fraud

A Florida state judge has slapped a former Miami nightclub owner with a \$60 million judgment for allegedly swindling an investor out of \$20 million that was supposed to go toward a cellphone refurbishment company but instead was used for personal expenses.

In a default judgment filed April 12, Judge Spencer Eig ordered Cell Solutions International Inc. — owned by Clive Seecomar, who also owned the now-shuttered Karu & Y nightclub in downtown Miami — to pay back The Brix Group Inc. the \$20 million it invested in Cell Solutions, plus another \$40 million in punitive damages.

Judge Eig had entered a default against both Seecomar and Cell Solutions in August 2011 after finding Seecomar had willfully and egregiously delayed court proceedings, according to **Brix Group attorney John Gravante of Podhurst Orseck PA.**

“It's been a long hard road,” Gravante said. “We've been litigating this case for four years. Seecomar did everything he could to avoid his day in court.”

Gravante says his client is now waiting for a judgment against Seecomar, who filed for Chapter 7 protection in November shortly before a hearing on the default judgment. The attorney said he was hopeful his clients could get relief from the automatic stay in order to try to collect on the judgment.

In the suit, filed in March 2009, Brix Group accused Seecomar of taking the investment funds and operating a Ponzi scheme through his Cell Solutions company, which supposedly bought used cellphones, refurbished them and sold them in the Latin American market.

Seecomar approached the Brix Group, a wireless phone distributor, in March 2007 with the business proposal, according to the complaint. The phones were allegedly sold to Top Quality Wireless LLC and Infinity Wireless Solutions LLC, but those companies began falling behind in their payments in 2008, according to the suit.

Brix Group founder Harry Brix began to suspect a fraud in early 2009, and died of a massive heart attack shortly thereafter.

Gravante said he hoped the company, now run by Brix's son, could recover at least some of the money, although the lawyer said it had been difficult to trace where it went.

Gravante said at least some of it went to Karu & Y, a former hot spot in a depressed area bordering downtown Miami that once hosted rapper Flo Rida and Miami Heat star LeBron James. The restaurant and nightclub closed in 2009, after Seecomar had sunk tens of millions into it.

An attorney for Seecomar could not immediately be reached for comment Wednesday.

Brix is represented by John Gravante of Podhurst Orseck PA.

Seecomar is represented by Jeffrey Schatzman of Schatzman & Schatzman PA.

The case is The Brix Group Inc. v. Seecomar et al., case number 2009-25132-CA-02, in the Eleventh Judicial Circuit Court of Florida.