

BAL HARBOUR

- V I L L A G E -

OFFICE OF THE VILLAGE MANAGER

LETTER TO COUNCIL

NO. 031-2018

To: Mayor Gabriel Groisman and Members of the Village Council

From: Jorge M. Gonzalez, Village Manager

Date: February 16, 2018

Subject: **News Article regarding the former Quarzo Owners**

The purpose of this Letter to Council is to share with you a recent article about the former owners and operators of the Quarzo properties. This does not involve the new and current owners of the Quarzo properties which are operated by Beach Haus and Fortuna International Realty.

JMG/RI

Grand jury investigation adds to Bal Harbour hotel developer's woes

Developer sold the Bal Harbour Quarzo to a company tied to Walter Defortuna

February 15, 2018 05:45PM



Quarzo Bal Harbour

A Bal Harbour hotel developer wrapped up in multiple lawsuits alleging fraud has just revealed an investigation by a federal grand jury.

Bal Harbour Quarzo LLC is facing 19 lawsuits in Miami-Dade, alleging the company failed to repay loans for a hotel redevelopment planned for the 2.38-acre site at 10250 Collins Avenue. Because the loans were executed in foreign countries and didn't have mortgages filed in Miami-Dade, the LLC couldn't be foreclosed on. In July, the LLC sold the hotel for \$18 million. The buyer was Beach Haus Bal Harbour LLC, a company owned by Fortune International Realty developer Walter Defortuna.

[Bal Harbour Quarzo LLC](#), led by principals Juan Arcila and Carlos Mehecha, paid \$15.8 million for the trio of three-story, mid-rise towers that were converted into the 91-unit Bal Harbour Quarzo. Some of the lawsuits allege that the Quarzo LLC used other entities hired to manage the hotel's cash, according to the South Florida Business Journal. Now, Arcila, former co-owner of the 1

court he had been subpoenaed by a federal grand jury and as a result, he can't provide the financial records. He is also requesting a judge stay a case in another lawsuit. [\[SFBJ\]](#) – *Kath*

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