

**IN THE CIRCUIT COURT FOR  
ST. JOHNS COUNTY, FLORIDA,  
PROBATE DIVISION**

**IN RE: ESTATE OF**

**KENNETH W. McLEOD**

**File No.: CP10-375**

**Division: 55**

**Deceased.**

**PETITION FOR ORDER APPROVING ABANDONMENT OF PROPERTIES**

Petitioner, Michael I. Goldberg, as Curator of the Estate of Kenneth W. McLeod, respectfully requests this Court authorize the Curator to abandon the Estate's interests in the properties located at 1543 Wentworth Avenue, St. Johns, Florida and 1657 Yachtsman Court, Amelia Island, Florida, and states:

1. Kenneth W. McLeod ("Decedent") passed away on June 22, 2010.
2. On September 3, 2012, the Petitioner was appointed as Curator for the Estate of Kenneth Wayne McLeod.
3. Prior to his passing, the Decedent allegedly perpetrated a Ponzi scheme defrauding approximately \$35 million from nearly 300 victims.
4. On June 24, 2012, the United States Securities and Exchange Commission initiated proceedings against F&S Asset Management Group, Inc., Federal Employee Benefits Group, Inc. (hereafter, the "Receivership Entities"), and Decedent, in the United States District Court for the Southern District of Florida under Case No.: 10-22078-cv-Moreno (the "Receivership Court" or "Receivership Proceedings").

5. On that same date, the Receivership Court appointed Petitioner as the receiver ("Receiver") for the Receivership Entities (the "Receivership Order"). A copy of the Receivership Order was previously filed with this Court.

6. Pursuant the Receivership Order, the Receiver is expressly authorized to take immediate possession of all property, assets and estates of every kind of the Receivership Defendants.

7. The Receiver believes that some or all of the funds used to purchase the Wentworth and Yachtsman properties may be traced to funds stolen from the Receivership creditors and are subject to the Receivership Proceedings.

8. Notwithstanding the foregoing, Petitioner intends on seeking an order from both this Court and the Receivership Court to abandon an any interest the Estate or Receivership Entities' may have in connection with the Wentworth and Yachtsman properties which are more fully described below.

**Wentworth Property**

9. On December 3, 2004, Kenneth W. McLeod, and his wife, Susan McLeod (the "McLeod's"), jointly purchased the property located at 1543 Wentworth Avenue, St. Johns, Florida (the "Wentworth Property"). Upon information and belief, the McLeods established the Wentworth Property as their primary residence, and continued to reside there through the date of Decedent's passing.

10. The McLeods entered into a mortgage agreement with Countrywide Home Loans, Inc.<sup>1</sup> in connection with the Wentworth Property on December 3, 2004 in the amount of \$1,000,000, more fully described as follows:

Lot 2, Julington Terrace, According to the Plat Thereof, as Recorded in Map Book 6, Page 13, of the Public Records of St. Johns County, Florida, Excepting There from Lands Described In Official Records Volume 953, Page 1806, Public Records of St. Johns County, Florida 32559.

11. Upon the Decedent's death, the jointly owned Wentworth Property was believed to have been inherited by his wife, Susan McLeod, by operation of law. The Warranty Deed recorded in St. John's County, however, simply reflects that both Mr. and Mrs. McLeod as joint owners, but does not indicate whether the Wentworth Property was owned joint tenants by the entirety or joint tenants in common. Because the McLeods purchased the property together, it appears they intended to own the property as joint tenants by the entirety. A copy of the recorded Warranty Deed is attached hereto as **Exhibit "A"**.

12. Based on the foregoing, it does not appear that the Estate has an interest in the Wentworth Property. However, in the unlikely event that the Wentworth Property was owned tenants in common (as opposed to joint tenants by the entirety), the Petitioner has included the Wentworth property in this Petition, in an abundance of caution, so that the Estate can abandon any interest it may have in such property.

13. Moreover, it should be noted that on or about December 2, 2010, Susan McLeod conveyed her interest in all real property owned by the McLeod's to the Receiver pursuant to a settlement agreement approved by the Receivership Court on March 8, 2011.

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<sup>1</sup> An assignment of the Countrywide Mortgage was made to Deutsche Bank on February 6, 2012.

14. On March 29, 2012, Deutsche Bank filed a complaint to foreclose the Wentworth Property in the case styled *Deutsche National Trust Co. v. Susan McLeod, et al.*, Case No.: CA12-0647 (55) pending in the Circuit Court for St. Johns County, Florida (the "Wentworth Foreclosure").<sup>2</sup>

15. According to the Complaint filed in the Wentworth Foreclosure, there is now due and owing the principal sum of \$971,334.01, together with interest that accrued from May 1, 2010 (the "First Mortgage").

16. In addition, Kenneth W. McLeod, and his wife, Susan McLeod, entered into an Open-End Mortgage Line of Credit with Wachovia Bank on August 19, 2005 in the amount of \$775,000 in connection with the Wentworth Property (the "Second Mortgage").

17. According to Wachovia Bank's Statement of Claim filed in these probate proceedings, as of June 22, 2010, the principal sum of \$783,157.15 plus default interest, is due and owing on the Second Mortgage.

18. Accordingly, the total liabilities owed in connection with the Wentworth Property are approximately \$1,754,491.

19. The St. Johns County Property Appraiser's 2012 assessed value of the Wentworth Property is \$838,060. A printout from the Property Appraiser's website indicating same is attached hereto as **Exhibit "B"**.

20. Based on the amounts indebted under the First and Second mortgages, the Wentworth Property is nearly 50 percent under value and therefore should be abandoned. Moreover, the Estate does not have sufficient assets with which to make the monthly mortgage payments.

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<sup>2</sup> The Curator notes that Deutsche National Trust Co. nor any of its predecessors filed a Statement of Claim in the

21. Accordingly, the Petitioner seeks an order from this Court to abandon an interest Decedent may have in the Wentworth Property.

**Yachtsman Property**

22. Decedent, individually, entered into a Mortgage Agreement with Option One Mortgage Corporation<sup>3</sup> on or about February 23, 2006 in the amount of \$640,000. A copy of the recorded Warranty Deed is attached hereto as **Exhibit "C"**. The mortgage covers the following described property located at 1657 Yachtsman Court, Fernandina Beach, Florida 32034:

Lot 127, Golfside At SummerBeach Unit One, According to Plat Thereof Recorded in Plat Book 5, Pages 114, 115, 116, 117 and 118, of the Public Records of Nassau County, Florida.

23. On October 1, 2010, a foreclosure action was filed by Deutsche Bank to foreclose the Yachtsman Property in the case styled *Deutsche National Trust Co. v. Kenneth W. McLeod, et al.*, Case No.: 10 CA 872 pending in the Circuit Court in and for Nassau County, Florida (the "Yachtsman Foreclosure").

24. As of December 2, 2012, the principal balance owed on the Yachtsman Property was approximately \$621,047.88.

25. The Nassau County Property Appraiser's 2012 assessed value of the Yachtsman Property is \$326,416. A printout from the Property Appraiser's website indicating same is attached hereto as **Exhibit "D"**.

26. Accordingly, based on the Property Appraiser's assessed value, the Yachtsman Property is under water by \$294,631.88, with nearly fifty percent of the principal balance owed.

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probate proceedings.

<sup>3</sup> In 2008, the Option One Mortgage was acquired by American Home Mortgage Servicing, Inc. An Assignment of the American Home Mortgage appears to have been made to Deutsche Bank.

27. Based on the foregoing, and the fact that the estate does not have sufficient assets with which to make the monthly mortgage payments, the Petitioner seeks an order from this Court abandoning the Decedent's interest in the Yachtsman Property.

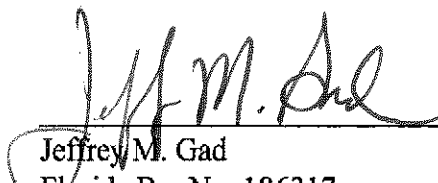
28. While the Curator believes he is authorized to abandon the Wentworth and Yachtsman properties pursuant to his appointment as receiver in the Receivership Action, he is also seeking the Probate Court's approval in an abundance of caution.

29. In any event, the Curator believes it is in the best interest of both the Probate and Receivership estates to abandon these properties as there is no benefit to maintain such properties based on the amounts owed and the assessed fair values of each property.

WHEREFORE, Petitioner, as Curator of the Estate of Kenneth Wayne McLeod, requests and Order authorizing him to abandon the properties located at 1543 Wentworth Avenue, St. Johns, Florida and 1657 Yachtsman Court, Amelia Island, Florida.

Under Penalties of perjury, I declare that I have read the foregoing and the facts alleged are true to the best of my knowledge and belief.

Signed on February 21, 2013.

  
\_\_\_\_\_  
Jeffrey M. Gad  
Florida Bar No. 186317  
Akerman Senterfitt  
Attorneys for Michael I. Goldberg, Petitioner  
401 E. Jackson Street, Suite 1700  
Tampa, Florida 33602  
Telephone: (813) 223-7333  
Facsimile: (813) 223-2837

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 21 day of February, 2013, the foregoing was furnished by U.S. Mail to Susan Marie McLeod, Malorie Renea McLeod, Daniel Wayne McLeod, Cody Ethan McLeod, Ryan Austin McLeod, and Anna Marie Kelani McLeod, at their respective last known addresses.

I FURTHER CERTIFY that on this 21 day of February, 2013, the foregoing was posted on www.febginfo.com for inspection, and mailed to the following creditors of the Estate:

Bank of America  
Estate Dept.  
1000 Samoset Dr.  
Wilmington, DE 19884

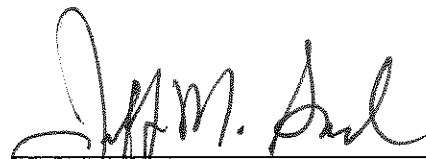
San Jose Country Club  
7529 San Jose Blvd  
Jacksonville, FL 32217

Lisa DiSalle, Esquire  
c/o San Jose Country Club  
Rolfe & Lobello, P.A.  
P.O. Box 40546  
Jacksonville, FL 32203-0546

Summer Beach II Community Assn.  
PO Box 1987  
Yulee, FL 32041

Wells Fargo Bank, N.A.  
Attn: Denise E. Lea  
Mac Z0307-090  
100 South Ashley Dr, Ste 830  
Tampa, FL 33602

James H. Cummings, Esq.  
Counsel to Wells Fargo Bank, N.A.  
Smith, Gambrell & Russell, LLP  
50 N. Laura Street, Ste. 2600  
Jacksonville, Florida 32202  
Email: [jcumings@sgrlaw.com](mailto:jcumings@sgrlaw.com)

  
\_\_\_\_\_  
Jeffrey M. Gad, Esq.

Stewart Title

THIS INSTRUMENT PREPARED BY:  
Bartlett & Deal, P.A. - Mandarin Office  
Blake F. Deal, III  
3121 Venture Place, Suite 4  
Jacksonville, FL 32257

RECORD AND RETURN TO:  
Kenneth W. McLeod  
1543 Wentworth Avenue  
Jacksonville, Florida 32259

RE PARCEL ID #: 004040-0000

11389  
**CORPORATE WARRANTY DEED**  
THIS INDENTURE made this 3rd day of December, 2004 by Cordele Builders, Inc., a Florida corporation, hereinafter referred to as Grantor, whether one or more, and whose address is 200 Business Park Circle, Suite 101, St. Augustine, FL 32095, to Kenneth W. McLeod and Susan McLeod, husband and wife, hereinafter referred to as Grantee, whether one or more, and whose address is 1543 Wentworth Avenue, Jacksonville, Florida 32259

(Wherever used herein the term "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations.)

WITNESSETH:

THAT Grantor, for and in consideration of the sum of Ten and NO/100 Dollars and other valuable considerations, in hand paid by Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to Grantee the following described land situate, lying and being in the County of St. Johns, State of Florida to wit:

Lot 2, JULINGTON TERRACE according to plat thereof as recorded in Map Book 6, page 13, of the public records of St. Johns County, Florida. Excepting therefrom lands described in Official Records Volume 953, page 1806, public records of St. Johns County, Florida.

SUBJECT TO taxes accruing subsequent to December 31, 2003.

SUBJECT TO covenants, restrictions and easements of record, if any; however, this reference shall not operate to reimpose same.

AND Grantor hereby covenants with Grantee that Grantor is lawfully seized of said land in fee simple and fully warrants the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed in its name by its duly authorized officer(s) and caused its corporate seal to be hereto affixed the day and year first above written.

Signed, sealed and delivered in our presence:

CORDELE BUILDERS, INC.,  
a Florida Corporation

*Loranne R. Sabato*  
Witness Signature  
LORANNE R. SABATO

By: *Patrick T. Murphy*  
Patrick T. Murphy, Vice President

Witness Printed Name  
*Dominique R. Roberts*  
Witness Signature  
DOMINIQUE R. ROBERTS  
Witness Printed Name

STATE OF Florida  
COUNTY OF St. Johns

The foregoing instrument was acknowledged before me this 3 day of Dec., 2004, by Patrick T. Murphy, Vice President of Cordele Builders, Inc. He is personally known to me.

*Loranne R. Sabato*  
Notary Public, County and State Aforesaid  
Notary Printed Signature

My commission expires: \_\_\_\_\_



LORANNE R. SABATO  
Notary Public - State of Florida  
My Commission Expires Aug. 10, 2008  
Commission # 00337982

1040900 1000  
D

Exhibit  
"A"



Property Information						
STRAP	004040 0000	Tax District	300			
Mailing Address	1543 WENTWORTH AVE SAINT JOHNS, FL 32259-0000		Neighborhood Code	30.25		
Site Address	1543 WENTWORTH AVE , SAINT JOHNS 32259-0000		Use Code/Description	0100/Single Family		
Total Land Value	\$384,244.00	Total Building Value	\$372,985.00			
Total Extra Features	\$80,831.00	Total Market(Just) Value	\$838,060.00			
Assessed Value	\$838,060.00	Taxable Value	\$838,060.00			
Homestead Exempt	\$0.00	Property Map	<a href="#">click here</a>			
Owner Name(s)		Legal Description				
MC LEOD KENNETH W,SUSAN		6-13 JULINGTON TERRACE LOT 2				
MC LEOD SUSAN		(EX PT IN OR953/1806)				
		OR2337/1026				
Sales Information						
Sale Date	Adjusted Price	Book&Page	Instrument Code	Qualified	Vacant or Improved	Reason Code
03/26/2012	\$0.00	3543 & 771	LP	U	I	86
06/30/2008	\$0.00	3249 & 387	LS	U	I	86
12/03/2004	\$1,487,000.00	2337 & 1026	WD	Q	I	01
11/25/2002	\$390,000.00	1869 & 901	WD	Q	I	01
03/01/1987	\$0.00	738 & 235		U	I	11
01/01/1979	\$120,000.00	427 & 677		U	I	11
Building Number 2						
Site Address:	1543 WENTWORTH AVE SAINT JOHNS 32259-0000					
Building Type/Desc:	0100/Single Family Residence	Building Model/Desc:	01 /RESIDENTIAL			
Year Built:	2004	Heated/Cooled Area:	4377			
Gross Area:	5998	Building Sketch (Descriptions)	<a href="#">click here to see sketch</a>			
Building Value:	\$372,985.00					
Structural Elements (Descriptions)						
Building Number	Element Code	Element Description	Type Code	Type Description		
2	HT	Heating Type	1	Air Duct		
2	FN	Foundation	5	Concrete Perimeter Footing		
2	IF	Interior Flooring	7	Ceramic Tile		
2	WI	Wind	21	2 Story Frame		
2	IF	Interior Flooring	10	Hardwood		
2	AC	Air Conditioning	1	Central		
2	IF	Interior Flooring	5	Carpet		
2	FR	Frame	8	Wood Frame		
2	RC	Roofing Cover	7	Composite Shingle		
2	FS	Floor System	1	Concrete Slab		
2	RS	Roofing Structure	4	Gable Hip		
2	PL	Plumbing	19	19 FIXTURES		
2	CN	Condition	6	Very Good		
2	EW	Exterior Wall	31	Stucco		
2	IW	Interior Walls	3	Drywall		
2	EL	Electrical	5	Excellent		

**EXHIBIT**  
**"B"**

Feb 25 1997 This Warranty Deed

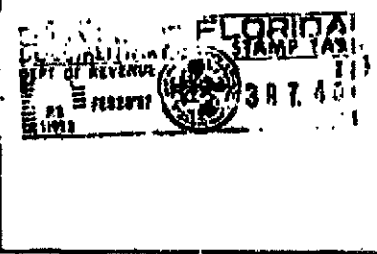
8K0785 PG 1544  
OFFICIAL RECORDS

Made this 24th day of February A.D. 19 97  
by JAMES M. PEARSON, A SINGLE MAN

File 00  
Doc 1387.40

hereinafter called the grantor, to  
K. WAYNE HOLBROD, A SINGLE MAN

NO  
47537



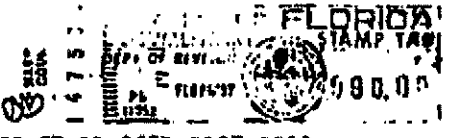
whose post office address is:  
1687 YACHTSMAN COURT  
FERMINADINA BEACH, FLORIDA 32034  
Grantors' Tax Id # :

hereinafter called the grantees:  
(Whoever uses herein the term "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

Witnesseth, that the grantor, for and in consideration of the sum of \$ 10.00  
and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, alien, releases,  
releases, conveys and confirms unto the grantees, all that certain land situate in NASSAU  
County, Florida, viz:

LOT 127, GOLFSIDE AT SUNNERSBACH, UNIT ONE, ACCORDING TO PLAT  
THREDDY AS RECORDED IN PLAT BOOK 5, PAGES 114, 115, 116, 117 AND  
118, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA.

SUBJECT TO covenants, restrictions, easements of record and taxes for  
the current year.



Parcel Identification Number: 65-55-10-085A-2127-0000  
Together with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.  
To Have and to Hold, the same in fee simple forever.

And the grantor hereby covenants with said grantees that the grantor is lawfully seized of said land in fee simple;  
that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants  
the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is  
free of all encumbrances except taxes accruing subsequent to December 31, 19 97

In Witness Whereof, the said grantor has signed and sealed these presents the day and year first above  
written.

Signed, sealed and delivered in our presence:

ANDREA F. LEMMON \_\_\_\_\_ JAMES M. PEARSON \_\_\_\_\_

SHERRY MICHAELIS \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

FILED & RECORDED IN PUBLIC  
RECORDS OF NASSAU COUNTY, FL  
RECORD 9711782

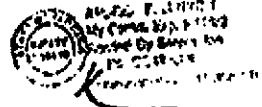
9703849

97 FEB 26 PM 1:01

State of Florida  
County of Nassau

The foregoing instrument was acknowledged before me this 24th day of February 19 97  
by JAMES M. PEARSON, A SINGLE MAN

who is personally known to me or who has produced personally known as identification.



ANDREA F. LEMMON  
Notary Public  
My Commission Expires: 8/31/99

RECORD & RETURN TO:  
Newton & Almond  
317 Centre Street Suite 201  
Fernandina Beach, Florida 32034  
File No: F80142

W12-1  
5/93

EXHIBIT  
"C"

# NASSAU

A. Michael Hickox, Cert. Res. RD1941  
Nassau County Property Appraiser

<a href="#">NASSAU HOME</a>	<a href="#">RECENT SALES IN THIS AREA</a>	<a href="#">RETURN TO MAIN SEARCH PAGE</a>
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<b>OWNER NAME</b>	MCLEOD K WAYNE	<b>TAX DISTRICT</b>	UNINCORPORATED ISLAND (DISTRICT 5)
<b>MAILING ADDRESS</b>	1543 WENTWORTH AVENUE	<b>PARCEL NUMBER</b>	00-SB-30-065A-0127-0000
	JACKSONVILLE, FL 32259	<b>TOTAL MILLAGE</b>	15.2805
<b>LOCATION ADDRESS</b>	1657 YACHTSMAN CT	<b>PROPERTY USAGE</b>	SINGLE FAMILY
	FERNANDINA BEACH 32034	<b>DEED ACRES</b>	0
<b>SHORT LEGAL</b>	LOT 127 IN OR 785/1544 GOLFSIDE AT SUMMER BEACH #1 PB 5/114-118	<b>HOMESTEAD</b>	N
		<b>PARCEL MAP RECORD</b>	<a href="#">MAP THIS PARCEL</a>
		<b>TAX COLLECTOR SEARCH</b>	<a href="#">NASSAU TAX COLLECTOR LINK</a>
		<b>RECORD CARD</b>	<a href="#">LINK TO 2012 PROPERTY RECORD CARD (PDF)</a>

2012 CERTIFIED VALUES	
JUST VALUE OF LAND	\$127,500
LAND VALUE AGRICULTURAL	\$0
TOTAL BUILDING VALUE	\$192,520
TOTAL MISC VALUE	\$6,396
JUST OR CLASSIFIED TOTAL VALUE	\$326,418
ASSESSED VALUE	\$326,416
EXEMPT VALUE	\$0
TAXABLE VALUE	\$326,416

### Land Information

LAND USE	LAND UNITS	LAND UNIT TYPE	SEC-TWO-RNG
SFR 000100	1	LT	12-2N-28

### Building Information

TYPE	TOTAL AREA	HEATED AREA	BED ROOMS	BATHS	PRIMARY EXTERIOR	SECONDARY EXTERIOR	HEATING	COOLING	ACTUAL YEAR BUILT	BUILDING SKETCH
SFR RESORT	3,801	2,818	3	2.25	AVERAGE	FACE BRICK	AIR DUCTED	FORCED AIR	1990	<a href="#">SHOW SKETCH</a>

### Miscellaneous Information

DESCRIPTION	DIMENSIONS L x W	UNITS	YEAR BUILT
FP-1-SG-GD	0 X 0	1	1990
FP-1-SG-GD	0 X 0	1,429	1990
BRICK	0 X 0	124	1990
CONCRETE A	23 X 9	207	1991

### Sales Information

SALE DATE	BOOK / PAGE	BOOK / PAGE	PRICE	INSTRUMENT	QUALIFICATION	IMPROVED? (AT TIME OF SALE)	GRANTOR	GRANTEE
02/26/1997	<a href="#">785/1544</a>	785/1544	\$198,200	WD	Q	Y	PEARSON JAMES M	MCLEOD K WAYNE
06/01/1989	<a href="#">571/875</a>	571/875	\$43,000	WD	U	N	FDNA BEACH REALTY	PEARSON JAMES M
01/05/1989	<a href="#">560/575</a>	560/575	\$140,000	WD	U	N	SB AMENITIES VENTRE	FDNA BEACH REALTY

**EXHIBIT**  
**"D"**