
Money and betrayal on Las Olas Boulevard

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By Dan Christensen, browardbulldog.org

The heiress to a Broward family fortune that includes Fort Lauderdale's landmark Riverside Hotel and much of chic Las Olas Boulevard's priciest real estate is suing her once trusted right hand man saying he betrayed her.



Irving Bowen



Barbara Wells

Barbara S. Wells, whose grandfather started The Las Olas Company in 1936, alleges ex-company president Irving Bowen used her riches "to enjoy the trappings of wealth and power" while squandering tens of millions of dollars and "running the company into the ground."

Two non-family sources familiar with the dispute said Wells' total losses are believed to exceed \$100 million.

Bowen wasted as much as \$20 million on planning and development costs for a proposed \$130 million hotel expansion, the lawsuit says. It calls the city-approved expansion an "unrealistic" failure.

Bowen's decision to make way for the 135-room expansion by evicting popular rent-paying merchants like Café Europa and O'Hara's Jazz & Blues Café and demolishing their buildings in February is making it difficult for The Las Olas Company to pay its bills.

"Defendant created a cash flow deficit at the company which will eventually lead to the company losing millions of dollars each year until the company can no longer operate," the complaint says.

The Las Olas Company's board of directors fired Bowen on July 22. But Bowen has refused Wells' demand that he resign as trustee of a string of family trusts of which she is the beneficiary.

The trusts own 73 percent of The Las Olas Company's stock. Bowen is using his control as trustee to "thwart" company operations, the complaint says.

Bowen is alleged to have created a "financial crisis" by pressuring the company to repay millions of dollars in loans made by the trust when he was both trustee and boss of The Las Olas Company. Wells says Bowen's dual roles were a conflict of interest.

Wells' 26-page complaint, filed Aug. 13, accuses Bowen of breaching his financial duty to her by placing himself in a position antagonistic to her trusts, wasting assets, mismanagement and diverting funds for imprudent business ventures.

Wells, who heads a local foundation that donated \$4.5 million to Broward General Medical Center last December, has asked Broward Circuit Judge Mel Grossman to remove Bowen as trustee and order a full accounting. A jury trial on damages is also sought.

Bowen has yet to answer Well's allegations in court, and his lawyer, Sigrid McCawley of Fort Lauderdale's Boies Schiller Flexner, did not respond to requests for comment. McCawley said in court filings that Bowen "vehemently denies the allegations in the complaint."

William F. Hamilton, an attorney at Holland & Knight in Tampa, represents Wells. Hamilton did not respond to email and phone messages seeking comment.

Wells' suit also accuses another trustee, Morris C. Brown, of impropriety. Brown, a lawyer in the Boca Raton office of Greenberg Traurig, "is not fit to serve because he and his firm played a crucial role" in drawing up trust documents that facilitated Bowen's scheme, the complaint says.

Brown declined comment Sunday night.

Irv Bowen is married to professional fundraiser and real estate broker Judith Bowen. According to the complaint, she was friends with Wells in 2003 when Wells' father, Preston A. Wells Jr., died and she encouraged Wells to seek out her husband for business advice.

"Unbeknownst to Wells, defendant had a checkered past littered with business failures," the complaint says.

Bowen resigned as chief financial officer for Westmark Group Holdings, Boca Raton subprime mortgage lender, in 2000 after the discovery of "millions of dollars of material accounting discrepancies," the complaint says.

The next day, after Westmark announced a large loss, NASDAQ suspended trading in its stock, the complaint says. The stock exchange delisted Westmark's stock in June 2000.



Artist rendering of proposed Riverside Hotel expansion

Three years later, Bowen persuaded Wells to remove two of her

father's former business colleagues as trustees of her trusts, and give him the job, according to the complaint. He later became The Las Olas Company's president and chairman, paying himself both "a substantial salary" and big trustee fees, it says.

Bowen used Well's trust funds as "a source of ready capital" for company real estate deals the board and shareholders would not approve, the complaint says. He also used millions to buy out – at allegedly inflated prices – family critics of his expensive hotel expansion plans.

Bowen allegedly borrowed heavily to buy the property he wanted, sometimes at above market prices and without appraisals, the complaint says. He pledged the entire stock portfolio of one of Wells' large trusts to secure the loans he needed, and later had to sell it off to pay down debt as property values declined. Even so, court papers say, the trusts still owe lenders millions.

All those stock sales had another effect. Wells now owes millions of dollars in unwanted capital gains taxes, the complaint says.

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Everyone knew IB was lying when he said in many public arenas, presenting his mammoth and unrealistic expansion project, that *his* tenants are *GOLDEN*, inferring that the Las Olas tenants were on the top of his list of priorities, to take care of them during the transition; and then he systematically gets rid of them in one way or another. Many people were hoping he would just fall in the Intercoastal from his balcony, to save everyone from his megalomania and destruction. People fell for IB's story just as they did for Hitler's promises to make a better world for Germany.

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Poor Irv and Judy, they got caught. East Side Ft. Lauderdale bunch will eat this up and say I told you so...