



Agenda Item Summary

File ID: 21-0649

CNST-10

Meeting Date: 4/27/2021

PLACEMENT: Consent

TITLE:

REQUEST FOR APPROVAL OF SETTLEMENT AGREEMENT AND RELEASE BETWEEN MARTIN COUNTY AND RIDDICK BAYRUNNER BOATS, INC., DOING BUSINESS AS CAROLINA OFFSHORE, AND SIDNEY WOOD RIDDICK, JR.

EXECUTIVE SUMMARY:

This agenda item concerns the approval of a settlement agreement between Martin County and Riddick Bayrunner Boats, Inc., doing business as Carolina Offshore, and Sidney Wood Riddick, Jr., who owns Riddick Bayrunner Boats, Inc., in connection with County's purchase of a boat and boat trailer.

DEPARTMENT: County Attorney

PREPARED BY: **Name:** David Arthur
Title: Senior Assistant County Attorney

REQUESTED BY:

PRESET:

PROCEDURES: None

BACKGROUND/RELATED STRATEGIC GOAL:

This agenda item concerns the approval of a settlement agreement between Martin County ("County") and Riddick Bayrunner Boats, Inc., doing business as Carolina Offshore ("Carolina Offshore"), and Sidney Wood Riddick, Jr., the owner of Carolina Offshore ("Riddick"), in connection with County's purchase of a boat and boat trailer. Carolina Offshore is based in North Carolina.

Specifically, after accepting Carolina Offshore's bid, County and Carolina Offshore entered into a contract through a purchase order and an invoice for Carolina Offshore to fabricate and deliver to County a 24 foot center-console boat for the price of \$82,900.00 and provide a trailer for the price of \$5,400.00, with the total purchase price amounting to \$88,300.00. The boat and trailer were intended for County's Public Works Department.

County paid Carolina Offshore half of the total purchase price for the boat and the full price for the trailer in the amount of \$46,850.00 (the "Payment"), with the other half for the boat to be paid upon delivery of both. Carolina Offshore failed to deliver the boat and the trailer.

Later, Riddick declared bankruptcy in the U.S. Bankruptcy Court for the Eastern District of North Carolina under Chapter 13, that is, as an individual with regular income. County timely filed its proof of claim as an unsecured creditor with the Bankruptcy Court. As an unsecured creditor, County's debt has a lower priority after tax liens and secured creditors; consequently, County is very unlikely to recover more than a small percentage of the Payment upon discharge of the bankruptcy case, if anything.

Further, because Carolina Offshore and Riddick are effectively one and the same, filing a lawsuit against Carolina Offshore and/or Riddick would be futile because the filing of the bankruptcy case creates an automatic stay of lawsuits for money damages against Riddick.

Accordingly, in an attempt to recover the full amount of the Payment, County negotiated the proposed settlement agreement. In particular, under the agreement, if Carolina Offshore fails to repay the Payment in full to County within 180 days, Carolina Offshore agrees to pay County \$10,000 within 10 days and then \$2,000 on the first calendar day of each month thereafter until the Payment is repaid in full. If Carolina Offshore fails to make any payment, County may use the Confession of Judgment signed by Riddick to execute on any real property or assets owned by Carolina Offshore and/or Riddick for the Payment in full or the remaining balance as applicable. The Confession of Judgment would be filed in the county in North Carolina where Riddick resides.

Upon the Board's approval of the settlement agreement, County would submit the settlement agreement for approval by the Bankruptcy Court. If the Bankruptcy Court approves the settlement, the settlement agreement would take effect. If not, County would have to avail itself of the outcome of the bankruptcy case.

ISSUES:

Whether to approve the settlement agreement.

LEGAL SUFFICIENCY REVIEW:

This item has been reviewed for legal sufficiency to determine if it is consistent with applicable law, has identified and addressed legal risks, and has developed strategies for legal defensibility.

RECOMMENDED ACTION:

RECOMMENDATION

Move that the Board approve the Settlement Agreement and authorize the Chair or appointee to execute any and all documents to complete this transaction.

ALTERNATIVE RECOMMENDATIONS

Pull this item from the Consent Agenda and direct staff accordingly.

FISCAL IMPACT:

RECOMMENDATION

None

ALTERNATIVE RECOMMENDATIONS

None

DOCUMENT(S) REQUIRING ACTION:

- ☐ Budget Transfer / Amendment ☐ Chair Letter ☐ Contract / Agreement
☐ Grant / Application ☐ Notice ☐ Ordinance ☐ Resolution
☒ Other: Settlement Agreement and Release

This document may be reproduced upon request in an alternative format by contacting the County ADA Coordinator (772) 320-3131, the County Administration Office (772) 288-5400, Florida Relay 711, or by completing our accessibility feedback form at www.martin.fl.us/accessibility-feedback <<http://www.martin.fl.us/accessibility-feedback>>.