

DOSSIER

561 GOLDEN HARBOR DRIVE

Boca Raton, Florida 33432

Alleged Construction Defects • Code Violations • Life Safety Hazards • Invoice Fraud

\$12 MILLION+ Purchase Price	\$140,000+ Alleged Fraud	18 Documented Violations	8 Legal Counts Filed
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Case Filed: February 6, 2026 • 15th Judicial Circuit • Palm Beach County, Florida

Scott Kerner v. Marc Elkman, Empire Development Holdings, LLC, Chris Beale & Bealecon Construction, LLC

ALL INFORMATION HEREIN IS BASED ON ALLEGATIONS IN A FILED COURT COMPLAINT AND INDEPENDENT ENGINEERING REPORTS. THIS DOCUMENT IS PREPARED FOR INFORMATIONAL AND FRAUD REPORTING PURPOSES.

**OVERVIEW
EXECUTIVE SUMMARY**

Property: 561 Golden Harbor Drive, Boca Raton, Florida 33432

Filed: February 6, 2026 | Case No.: TBD | Court: 15th Judicial Circuit, Palm Beach County

Background

Scott Kerner paid more than **\$12 million** for a newly constructed waterfront villa at 561 Golden Harbor Drive, Boca Raton, Florida, built by **Empire Development Holdings, LLC** (developer, Marc Elkman, CEO) and **Bealecon Construction, LLC** (general contractor, Chris Beale, principal). The home was marketed as "rarified luxury." Upon moving in, the Kerner family discovered the property was neither safe nor habitable.

The family was **forced to evacuate** after the first significant rain caused water to flood in through windows, light bulbs, and air vents. Three independent engineering firms subsequently documented the full scope of the defects — finding dangerous conditions hidden behind walls, including live wires, crumbling concrete, broken trusses, and leaking gas lines.

CRITICAL FINDING: The Kerners have been displaced from their home for more than one year while code violations and life-safety defects are remediated — at an estimated additional cost of several million dollars beyond the original \$12M+ purchase price.

Defendants

DEFENDANT	ROLE	ALLEGATIONS
Marc Elkman	Founder & CEO, Empire Development Holdings, LLC	Price fraud (\$140K+), fraudulent inducement, civil theft
Empire Development Holdings, LLC	Developer / Seller	Breach of contract, FL Building Code violations, negligent retention, fraud
Chris Beale	General Contractor & Engineer of Record	Professional negligence, unlicensed practice (architecture, MEP)
Bealecon Construction, LLC	General Contractor	Negligence, FL Building Code violations

Summary of Legal Counts

COUNT	CLAIM	DEFENDANTS
I	Breach of Contract	Empire
II	Florida Building Code Violations	Empire, Bealecon, Beale
III	Professional Negligence	Beale
IV	Negligent Retention	Empire
V	Negligence	Bealecon
VI	Fraudulent Inducement	Empire, Elkman

VII	Fraud (Doctored Invoices)	Elkman
VIII	Civil Theft (Fla. Stat. §§ 812.014, 812.017)	Empire, Elkman

SECTION A WATER INTRUSION & MOLD

LIFE SAFETY CONCERN: Water intrusion was observed entering the home through windows, light fixtures, air conditioning diffusers, balcony doors, and roof terraces — contaminating the structure, causing mold growth, and rendering multiple rooms uninhabitable.

Documented Deficiencies (per Engineering Reports):

- Street-facing and water-facing windows are the improper sizes, improperly sealed or installed
- Balconies, finished decks, and eyebrows improperly pitched toward the building — lacking flashing
- Balcony door thresholds below finished floor level; weep holes blocked
- Electrical panels and outlets at or near floor level, exposed to water intrusion — Florida Building Code violation
- Mold growth confirmed in multiple rooms, including children's bedrooms

FIGURE 1



Water leaking from light fixture and AC diffuser — laundry room

FIGURE 2



Water spouting from window frame — main staircase (after screw removal)

FIGURE 3



Black mold growing on drywall — daughter's room

FIGURE 4



Water damage to children's rooms via window intrusion

FIGURE 5



Tarp covering entire living room during remediation

FIGURE 6



Industrial dehumidifiers and tarp deployed in child's room

SECTION B STRUCTURAL DEFECTS

STRUCTURAL INTEGRITY FAILURE: Independent forensic engineers documented crumbling concrete, exposed rusting rebar, and corroded structural elements throughout the property — defects that compromise the load-bearing capacity and long-term structural integrity of the \$12M+ home.

Documented Structural Deficiencies:

- Concrete honeycombing and cracking along structural beams, slabs, and balconies
- Exposed and rusting rebar — ongoing corrosion will progressively weaken structural capacity
- Corroded metal column and window mullion at main staircase
- Water intrusion at overhead beams throughout the property, including master bedroom
- Structural column in kitchen above stove was cut to accommodate stove vent — compromising load capacity

FIGURE 7



Crumbling concrete over exposed rusting rebar

FIGURE 8



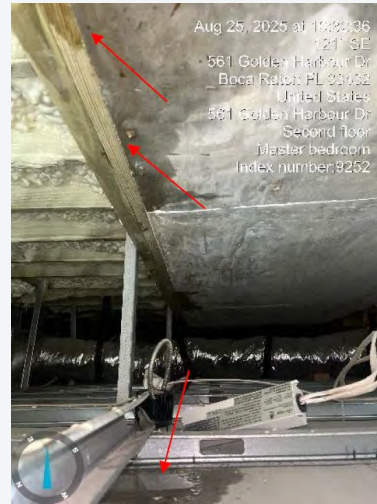
Honeycombing concrete on balcony slab — exposed rusting rebar

FIGURE 9



Corroded metal column and window mullion at main staircase with extensive water intrusion

FIGURE 10



Water intrusion at overhead structural beam — master bedroom

SECTION C FLORIDA BUILDING CODE VIOLATIONS

STATUTORY BASIS: Florida Statute § 553.84 provides a private cause of action against any party who commits a Florida Building Code violation. Empire, Bealecon, and Beale each had a statutory duty to ensure the home was constructed in compliance with applicable codes — a duty all three allegedly breached (Count II of the Complaint).

Documented Code Violations (per Engineering Reports):

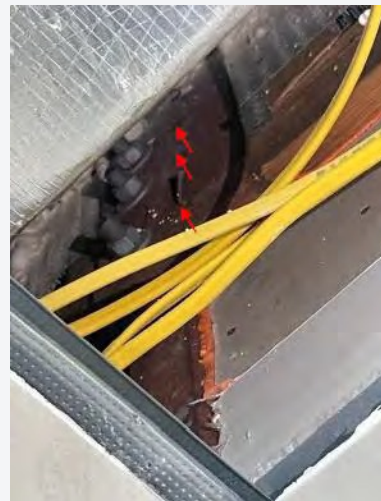
- Electrical panels and outlets flush at floor level or lacking 3-foot minimum clearance from ground — Florida Building Code violation
- Roof trusses broken to pass vents and wires — structural and code violation
- Gas lines installed without signed and sealed gas drawings
- Circuit breakers missing breaker blanks and arc fault interrupters
- Ductwork improperly compressed in trusses — improper ventilation and condensation risk
- Mechanical equipment on roof not anchored to structural elements
- Roof membrane bubbling, separating from parapet wall, and missing cap metal
- Hole drilled through air duct for light fixture installation — compromising HVAC system

FIGURE 11



*Kitchen air vent penetrating structural reinforced concrete column
— critical code violation*

FIGURE 12



Missing bolts in structural steel beams

FIGURE 13



Broken roof trusses — trusses cut to pass vents and wires

FIGURE 14



Hole drilled through HVAC air duct during light fixture installation

SECTION D LIFE SAFETY HAZARDS — GAS & ELECTRICAL

IMMINENT DANGER: Forensic engineers documented active gas leaks, unprotected gas lines, energized live wiring left exposed without termination, and fire hazards — all hidden behind finished surfaces. These conditions posed an immediate risk to the lives of the Kerner family.

Documented Life Safety Violations:

- Gas line behind kitchen wall left unprotected — pierced by drywall nail, causing active gas leak
- Gas lines installed throughout home without any professionally signed and sealed gas drawings
- Improper gas line disconnections throughout property
- Steam generator equipment installed immediately adjacent to gas cooking equipment — fire hazard
- Live electrical junction box adjacent to gas connection left exposed — fire/explosion hazard
- Abandoned exposed live wires in and above soffit — electrocution risk
- Unterminated and energized wiring left exposed above the home's main entrance
- Circuit breakers missing arc fault interrupters — required by Florida Building Code

FIGURE 15



Holes drilled through balcony slab to drain ponding water — structural compromise

FIGURE 16



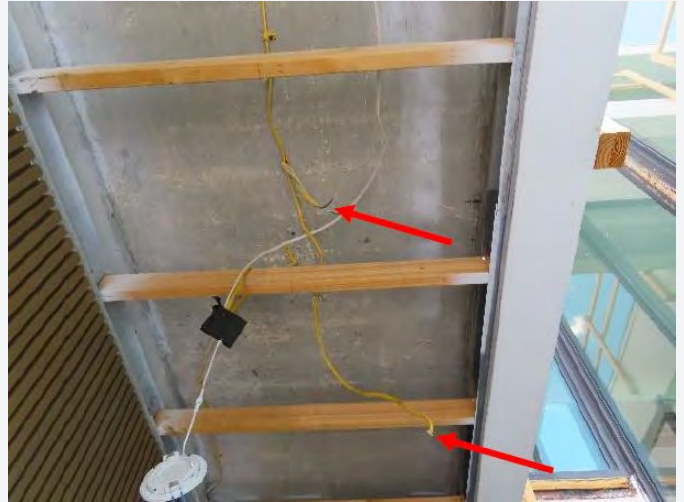
Screw hole through unprotected gas line — active gas leak

FIGURE 17



Steam generator behind gas cooking equipment — fire hazard

FIGURE 18



Unterminated, energized wiring left exposed above home's main entrance

**SECTION E
UNLICENSED PRACTICE OF ARCHITECTURE & ENGINEERING (BEALE)**

STATUTORY VIOLATION: Florida Statute § 471.025(3) prohibits any licensed engineer from affixing their seal to plans depicting work they are not licensed to perform. Chris Beale is a structural engineer only — not a licensed architect, mechanical engineer, electrical engineer, or plumbing engineer. He nonetheless signed and sealed drawings across all of these disciplines.

Alleged Violations by Chris Beale:

- Signed and sealed ARCHITECTURAL drawings — not a licensed architect in Florida
- Signed and sealed MECHANICAL drawings — no technical training or experience in mechanical engineering
- Signed and sealed ELECTRICAL drawings — no technical training or experience in electrical engineering
- Signed and sealed PLUMBING drawings — no technical training or experience in plumbing engineering
- Signed and sealed STRUCTURAL drawings for work he did not personally design (designs were prepared by others)
- Permitted construction of gas lines with NO signed and sealed gas drawings
- Failed to exercise Responsible Charge of construction as required by Florida Admin. Code § 61G15-18011

The following figures show examples of engineering seals affixed by Beale to architectural, mechanical, electrical, plumbing, and structural drawings for the property — disciplines for which he lacked the required licenses:

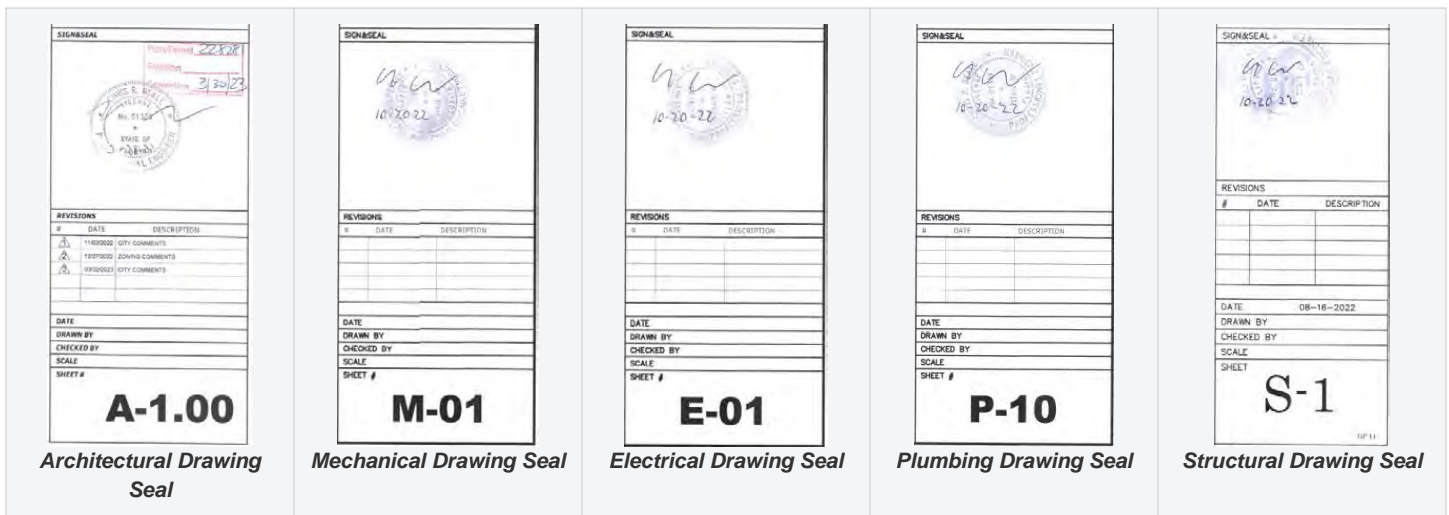


Figure E-1 through E-5: Engineering seals affixed by Chris Beale (structural engineer only) to architectural, mechanical, electrical, plumbing, and structural drawings respectively. Source: Filed Complaint, Page 6.

Empire's Role: Empire knew, or should have known, that Beale lacked the requisite licenses, experience, and qualifications to serve as engineer of record. Empire retained him anyway — a basis for the Negligent Retention claim (Count IV) against Empire.

**SECTION F
INVOICE FRAUD & CIVIL THEFT (\$140,000+)**

ALLEGED FELONY: Florida Statute § 812.014 (Theft) and § 812.017 (Use of fraudulently obtained or false receipt) are alleged to have been violated by Marc Elkman and Empire. The scheme involved 11 separate doctored invoices, with line-item costs inflated by "many multiples" to extract more than \$140,000 from Mr. Kerner.

How the Alleged Fraud Worked:

Empire was contractually entitled to a **10% markup on change orders**. Elkman agreed to voluntarily waive this 10% markup in exchange for an investment by Mr. Kerner in one of Elkman's other ventures — a gesture of goodwill. What Mr. Kerner did not know was that Elkman was simultaneously inflating the underlying invoice line items to extract far more than a 10% markup would have yielded.

INVOICE DATE(S)	NATURE OF ALLEGED FRAUD
November 17, 2023	Invoice costs inflated — line items altered
December 1, 2023	Invoice costs inflated — line items altered
January 26, 2024	Invoice costs inflated — line items altered
February 5, 2024	Invoice costs inflated — line items altered
February 19, 2024	Invoice costs inflated — line items altered
July 31, 2024	Invoice costs inflated — line items altered
TOTAL (11 invoices)	More than \$140,000.00 extracted from Mr. Kerner

Civil Theft Notice & Legal Exposure:

On **November 25, 2025**, Mr. Kerner delivered a written civil theft notice to Empire and Elkman pursuant to Florida Statute § 772.11, demanding the return of funds obtained through the doctored invoices. Empire and Elkman refused.

STATUTE	VIOLATION	EXPOSURE
Fla. Stat. § 812.014	Theft	Criminal + civil liability
Fla. Stat. § 812.017	Use of fraudulently obtained/false receipt	Criminal + civil liability
Fla. Stat. § 772.11	Civil theft	Treble damages (3x actual damages) + attorneys' fees

SECTION G FRAUDULENT MISREPRESENTATION (ELKMAN / EMPIRE)

LEGAL BASIS: Count VI of the Complaint (Fraudulent Inducement) alleges that Marc Elkman made multiple false statements of material fact prior to Mr. Kerner executing the Purchase and Sale Contract — statements Elkman knew to be false — for the purpose of inducing Mr. Kerner into a \$12M+ contract.

Alleged False Statements Made by Elkman:

Claim 1: Empire Built Three Luxury Homes in Boca Raton

In Q4 2022, Elkman told Mr. Kerner that Empire had constructed three luxury homes in Boca Raton. He then took Mr. Kerner on a personal driving tour of the three properties to "prove" it. **None of these homes were built by Empire** — they were developed by other local developers. The actual addresses: 520 NE 4th Lane, Boca Raton; 201 NE 3rd Street, Boca Raton; and one additional similar property nearby.

■ **PROVEN FALSE:** None of the homes shown were developed by Empire.

Claim 2: Bealecon Had a History of Building Luxury Homes

Elkman represented to Mr. Kerner that Bealecon Construction had a track record of successfully building multiple high-end luxury homes in the South Florida market.

■ **UNSUBSTANTIATED:** Bealecon had never completed a project of this scope, size, or quality.

Claim 3: Chris Beale Was Lead Engineer on Seminole Hard Rock Hotel & Casino

Elkman told Mr. Kerner that Chris Beale was one of the lead engineers on the Seminole Hard Rock Hotel & Casino — a landmark project intended to demonstrate elite engineering credentials.

■ **PROVEN FALSE:** This statement was false. Beale was a structural engineer without the licenses to practice architecture, mechanical, electrical, or plumbing engineering.

Impact: Mr. Kerner would not have entered into the Purchase and Sale Agreement — nor agreed to the same terms, conditions, and price — but for Elkman's false representations. The Complaint alleges direct and special damages flowing from this reliance (Count VI — Fraudulent Inducement, against Empire and Elkman).

APPENDIX COMPLETE VIOLATION CHECKLIST

The following comprehensive checklist is drawn directly from the three independent engineering reports attached to the filed Complaint (Exhibits C, D, E, and F). Each item below represents a documented defect, code violation, or life-safety hazard.

WATER INTRUSION

- Street-facing and water-facing windows — improper sizes, improperly sealed or installed
- Balconies, finished decks, and eyebrows improperly pitched toward the building
- Balconies and decks lacking flashing — resulting in water intrusion
- Balcony door thresholds below finished floor level — blocking weep holes
- Balcony door thresholds causing water intrusion throughout property

STRUCTURAL

- Structural column in kitchen above stove cut/compromised to accommodate stove vent
- Concrete honeycombing and exposed rusting rebar throughout structure
- Missing bolts in structural steel beams
- Holes drilled through balcony slab to drain ponding water (post-construction workaround)
- Crumbling concrete along structural beams and slabs

ROOF & TRUSSES

- Roof trusses broken to pass vents and wires
- Roof membrane bubbling and compromised
- Roof membrane separating from parapet wall
- Missing cap metal on roof
- Ductwork improperly compressed in trusses — improper ventilation and condensation

ELECTRICAL

- Electrical panels and outlets flush at floor level — Florida Building Code violation
- Electrical panels and outlets lacking 3-foot minimum clearance from ground
- Electrical panels and outlets exposed to water intrusion
- Circuit breakers missing breaker blanks and arc fault interrupters
- Abandoned exposed live wires in and above soffit
- Unterminated and energized wiring above home's main entrance
- Live electrical junction box adjacent to gas connection left exposed — fire hazard
- Hole drilled through HVAC air duct for light fixture installation

GAS

- Gas lines installed without any professionally signed and sealed gas drawings

- Gas line behind kitchen wall unprotected — pierced by drywall nail, causing gas leak
- Improper gas line disconnections
- Steam generator installed immediately adjacent to gas cooking equipment — fire hazard

HVAC & MECHANICAL

- Line set for HVAC units not properly waterproofed or insulated
- Line set for HVAC units not properly identified
- Mechanical equipment on roof not anchored to structural elements
- Ductwork compressed improperly in trusses — resulting in improper ventilation

LICENSING & DOCUMENTATION

- Engineer of Record (Beale) signed/sealed architectural drawings — not a licensed architect
- Engineer of Record signed/sealed mechanical drawings — lacks MEP licensure
- Engineer of Record signed/sealed electrical drawings — lacks electrical engineering licensure
- Engineer of Record signed/sealed plumbing drawings — lacks plumbing engineering licensure
- No signed and sealed gas drawings for any gas work in the home

SOURCE DOCUMENTS: Complaint filed February 6, 2026, 15th Judicial Circuit, Palm Beach County, Florida (Filing #241213630). Engineering reports: Summit Design and Forensics, Inc. (Exhibit C); ECS Florida, LLC (Exhibit D); Pistorino and Alam Consulting Engineers, Inc. (Exhibit E); J.R. Inspection Services, Inc. Mold Report (Exhibit F). Counsel: Berger Singerman LLP, Miami, FL.

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