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Fuse Group acquires Security Building in downtown Miami, plans to sue WeWork for alleged lease breach

<https://mbdev.aplussedv.com/2021/06/16/fuse-group-acquires-security-building-in-downtown-miami-plans-to-sue-wework-for-alleged-lease-breach/>

Lidia Dinkova

Fuse Group Investment acquired the storied Security Building in downtown Miami and plans to sue WeWork over allegedly vacating its offices in violation of the lease, *The Real Deal* has learned.

The 17-story, historic building at 117 Northeast First Avenue was under a [foreclosure](#) action against the previous owner, Security Building AR Owner LLC.

Fuse Group bought the note and once it “stood in the shoes of the lender,” it resolved the lawsuit against the former owner by accepting a deed on the property, said attorney Michael Ehrenstein, who represented Fuse in the acquisition.

Ehrenstein, of Ehrenstein Sager, worked with [Mark Meland](#) and [Bryan Vega](#) of Meland Budwick on the deal. Ehrenstein declined to disclose how much Fuse Group paid to buy the mortgage or disclose any other values associated with the deal, only saying it was an “amicable” resolution of the suit.

Fort Lauderdale-based Fuse Group, led by Chair Shimon Elkabetz and CEO Eyal Peretz, is an investor focused on bridge and construction lending, and on direct equity real estate investments, according to its website.

Fuse’s Peretz did not immediately return a request for comment. He said in a release that Fuse plans to move the building into its next chapter as a “home for vibrant and innovative tenants.”

The Security Building was WeWork’s flagship Miami location, as the New York City-



based coworking giant in 2017 renovated the building with 96,000 square feet of offices, according to the release. It also fully leased the property.

Fuse Group now plans to sue the WeWork affiliate that rented out the property for allegedly violating the lease, and sue WeWork's parent company for allegedly breaching its obligations as guarantor on the lease, according to the release.

"They haven't paid their rent and they are not there," Ehrenstein said. "They removed all of their furniture, so we want an order from the court that we can have possession."

[WeWork](#) declined to comment.

Platform Capital Funding had filed a foreclosure suit in December against the Security Building's previous owner, alleging a default of more than \$46 million. This included more than \$37 million in principal from a 2016 loan, interest and late fees, according to the complaint.

It also included \$5 million that was deposited in 2019 by would-be property buyer Inveniam Capital Partners, which planned to acquire the building in part with funds raised through a [cryptocurrency](#) auction.

Inveniam wanted to buy the Security Building for \$65 million, but the plan [unraveled](#) in 2019, when Inveniam CEO Pat O'Meara claimed he had to end the deal because his senior lender changed the language of the agreed-upon loan.

Aside from the previous owner led by Richard Weisfisch, Platform Capital also named Weisfisch and Andrew Joblon individually in the foreclosure suit.

In a March motion to dismiss, the previous owner and Weisfisch called the suit "premature," arguing the loan had not yet matured. They also said the lender only was entitled to \$500,000 from the \$5 million Inveniam deposit, based on an agreement it had with the borrower.

Their attorney, Alan Grunspan of Carlton Fields, called the outcome "a fair arrangement for both sides."

Joblon, managing principal at Turnbridge Equities, did not immediately return a



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request for comment left with Turnbridge.

The building was last purchased in 2015 for [\\$23.5 million](#). The tower, built in 1927 as the headquarters for the Dade County Security Company, was added to the National Register of Historic Places in 1989.

Read more at:

<https://therealdeal.com/miami/2021/06/16/fuse-group-acquires-security-building-in-downtown-miami-plans-to-sue-wework-for-alleged-lease-breach/>