

OFFICE OF THE INDEPENDENT ADVOCATE
REPORT OF INVESTIGATION

K #: 07-076

Date Opened: June 12, 2007

Date Closed: October 24, 2007

Name of investigator: Kennedy Rosario and Breno Penichet

Allegation:

This Investigation is predicated upon information received in the form of a newspaper article that appeared in the Miami Herald titled “One Lobbyist, three competing Clients”

In the article it was reported that in the Court Case filed by Developer Dave Cholack (dba) MediaNet of South Florida Inc. requiring the building of billboards in the City of North Miami included a Lobbyist that may have been working for some of the parties involved in the suit.

In the article it goes on to state that Mr. Ron Book a lobbyist working for the City of North Miami, was also a partner in a company that successfully fought the City of North Miami and was able to build six (6) billboards, each of which leased for \$20,000 per month. In the article it was also noted that Mr. Book was also working for Miami Dade County which at the time believed the billboards and North Miami’s deal to allow them were illegal under county code.

INVESTIGATION:

- COE Investigators Kennedy Rosario and Breno Penichet reviewed the information provided in the news paper article, it was noted that Mr. Clarence Patterson North Miami City manager was interviewed for the story, and there was also information of a possible partner Mr. Arthur Hertz who stated that he

had asked Mr. Book to become involve as a partner from the beginning. According to the statements made in the article it was clear that Mr. Book was brought on board to help in the negotiations between the parties.

- COE Investigators Rosario and Penichet conducted records check on the principals mentioned in the article and the following information was obtained.

(1) Daniel L. Cholack / Director

Medianet of South Florida, Inc. **Active**

(2) Arthur Hertz / President

Ronald Book / Secretary, Treasurer

South Florida out of home media, Inc. **Active**

(3) Arthur Hertz / President, Director and Secretary

JMH Outdoor Advertising, Corp. **Active**

- COE Investigators Rosario and Penichet interviewed Mr. Clarence Patterson City Manager for the City of North Miami concerning this matter. Mr. Petterson advised that he became aware of the situation shortly after being appointed City Manager and was always looking for a way to best resolve the matter, as far as he was aware Mr. Book had not interceded in this matter. Mr. Patterson advised that even though the County code does not allow for Bill Boards Media net negotiated with the City as part of the settlement for the suit. Mr. Patterson advised that Mr. Book is authorized to represent the City on matters in Tallahassee, not in front of the BCC. During the interview Ms. Lynn Whitfield, City Attorney joined us and

provided a copy of resolution No. R-2006-130 which allows the agreement between Medianet of South Florida Inc. and City of North Miami to assign the rights to the billboard located 640 NW 129th Street to Arthur Hertz. Ms. Whitfield also provided a copy of the proposed contract for professional services to be signed by Mr. Ron Book. Also a copy of the settlement agreement between Media net and North Miami.

- COE Investigators Rosario and Penichet interviewed Mr. Ronald L. Book regarding this matter. Mr. Book advised that he has known Mr. Hertz for many years and considers him a good friend, when Media net became involved in the suit with the City of North Miami, Mr. Hertz asked Book to get involved and negotiate a fair and equitable settlement. Mr. Book advised he did so not as a lobbyist but as a concerned and civic minded individual. Mr. Book also advised that he was asked by Mr. Hertz to become his partner in a company that would have a stake in one or two of the signs. Mr. Book advised this was not any type of fee or payment only a business proposition from an old friend. Mr. Book also advised that he felt he negotiated the best deal for the City and Media net. Mr. Book advised that Mr. Kutin the prior City manager was well aware of his involvement along with the current mayor. Mr. Book advised all parties were well aware he was doing this to help both parties and as a favor to a good friend.
- COE Investigators Rosario and Penichet interviewed Mr. Arthur H. Hertz regarding this matter. Mr. Hertz advised that he has been friends with Mr. Ron Book for many years and felt this would be a good business opportunity. Mr. Hertz advised he was brought into the negotiations when the suit was filed and when he realized it would become a stalemate he asked his friend Book, for help. Mr. Hertz advised Mr. Book was involved since the beginning and his participation was always in the open and all

parties were well aware of his participation. Mr. Hertz advised that the company that will be the owner of the sign in question will be "South Florida Out home Media Inc." The principals will be Ron Book, Arthur Hertz, Willis Howard, and Keith Kenner. The address will be 3195 Ponce De Leon Blvd. Coral Gables, FL 33134. This is a for profit corporation registered in the State of Florida. Mr. Hertz provided copies of checks paid to the City of North Miami for the signs by Midianet Inc.

CONCLUSION:

After taking into consideration the information and statements obtained in this investigation, there does not appear to be any indication that any ordinance within our Jurisdiction has been violated.

For that reason this matter is closed.