

IN DEPTH



The 158-foot Perini Navi yacht Legacy sits planted in the seagrass of the Florida Keys National Marine Sanctuary in September 2007.

TRENDS, ANALYSIS, PEOPLE

A vessel aground and a long battle won

With his superyacht Legacy stuck in a marine sanctuary, owner fought the feds over the removal

By Lisa Hoogerwerf Knapp

After surviving the hurricane that nearly killed him and his crew, Peter Halmos battled for more than two years to free his grounded superyacht, Legacy, from the shallow waters of the Florida Keys National Marine Sanctuary. Yet the heralded flotation earlier this year passed with all the fanfare of a soggy cornflake.

On her 851st day of captivity, she left her entrenchment in Key West's Calda Channel unnoticed. Byrd Salvage of Miami pulled the battered sailboat to freedom, sans cameras, media, owner and crew.

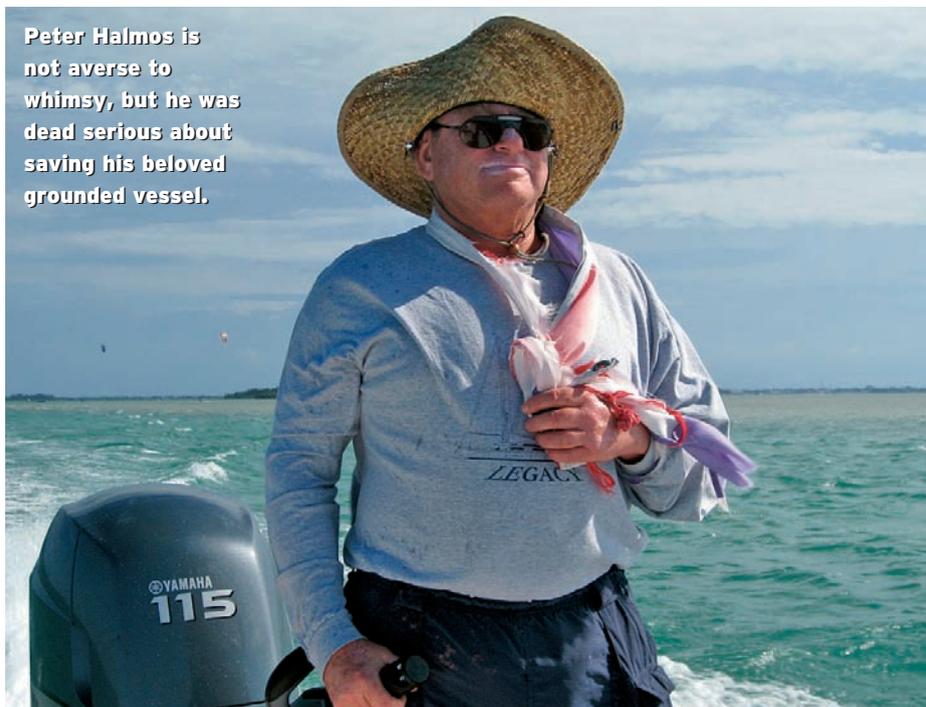
Halmos' odyssey is the tale of a boat owner who just wouldn't quit. He survived a toe-curling hurricane adventure that planted his 158-foot Perini Navi upright, her keel hopelessly stuck in the seagrass and substrate of the Sanctuary. In her removal, Halmos dealt with a quagmire of environmental, salvage and insurance issues that would try the patience of Job, all while maneuvering the politics of government agencies to rescue Legacy from the protected waters. It has cost him millions — millions more than he paid for his beloved Italian-built sailboat in the first place.

"I still love the boat," says Halmos, 63, a colorful, outspoken and sometimes controversial figure. "One perfect afternoon is all worth it. The connection between wind and water, the simplicity and majesty of it, ripping along [at] 15 knots in silence and gliding through the water without polluting anything was magical. I don't know of a hull made by anybody to be floating like she was out there after what we went through. I never considered cutting her up. Legacy will be refit. She saved my life."

An act of God

Hurricane Wilma blew the majestic yacht into the sanctuary in late October 2005. Halmos was living aboard at the time, while he searched for the Spanish galleon Atocha and her treasure of gold bullion. The yacht's rigging collapsed onto the bridge. She has cosmetic damage, especially to starboard where the rig came down, and minor water damage in the crew's starboard quarters. Some systems need to be replaced, but otherwise the interior is

Peter Halmos is not averse to whimsy, but he was dead serious about saving his beloved grounded vessel.



in remarkably great shape.

Climbing around with my camera, I noticed a dent in the yacht's metal yard plate (about 8 feet high on a bulkhead), which Halmos says was caused by the impact of a crewmember's foot during the storm. I kept imagining the crash of the rigging as it came down.

Halmos and his crew went through hell in that hull; they're lucky to be here today to tell their story.

"When Wilma re-organized off the Yucatan Peninsula, NOAA forecasted 60- to 75-mph winds," Halmos says. "Hell, I can go water skiing in that."

Complicating matters was the imminent arrival of another storm — Tropical Storm Alpha — from the south, pushing 12-foot seas. Legacy couldn't risk heading east, where she would be overtaken by Wilma, which was moving faster than Legacy could travel; south into Alpha; or north, which would have trapped her in the Gulf of Mexico. Influenced by the tragic fate of the 282-foot steel sailing vessel Fantome, which lost all 31 crewmembers while attempting to outsmart Hurricane Mitch in October 1998, Halmos and his captain, Ed Collins, chose to ride out the storm.

They anchored Legacy in a hurricane hole about a mile northwest of the Key West docks, in sight of the Key West Coast Guard station. It was the same spot where the yacht successfully had ridden out Hurricane Katrina two months earlier. Legacy had 400 feet of chain on her two main anchors, and a midships anchor was set as well. But she broke free when the anchors failed, Halmos says, this despite their being ABS class certified and with their annual survey completed only months earlier.

"I always thought ABS was more than it is," Halmos says. "It's expensive enough, but you know what you get? Nothing. They're not responsible for anything. The anchors didn't drag, they split in two."

Halmos displays the chains and what's left of the anchors. "A smaller craft with one anchor sur-

vived,” he says. “All we had was winds; she’s made to take that head on. Had those anchors not come apart, we would have had no problem. When Legacy faced into the wind with 400 feet of chain on each anchor in 20 feet of water, it’s a hell of a scope. We should have survived a tsunami, and we would have but for the anchors.”

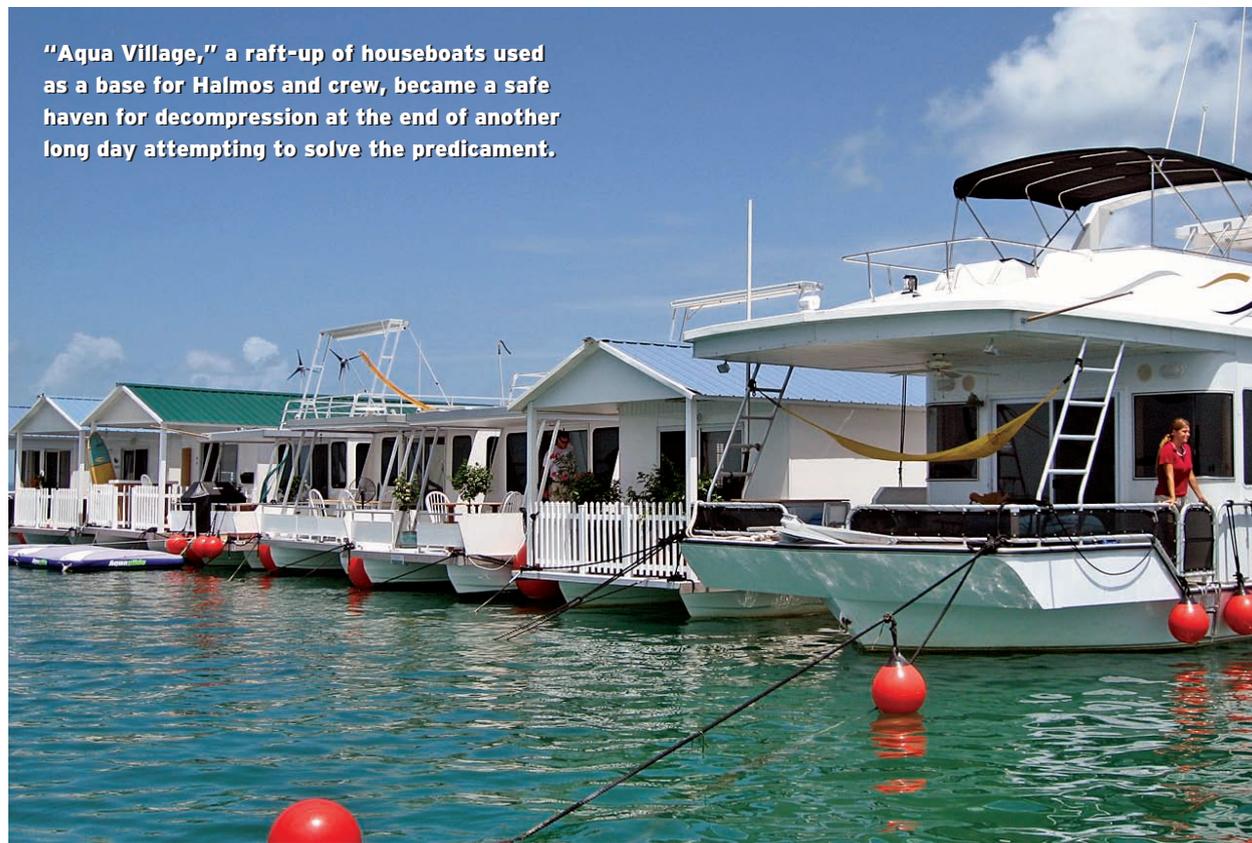
Legacy maintained her position under power for an hour while Capt. Collins called Coast Guard Sector

it,” Halmos says. “The act of God wasn’t Wilma. Hell, Legacy was gently placed upright, and everybody’s safe. I’m very thankful to be here. This really happened for a purpose. To be in the sand and sitting upright, there is no explanation for that. She landed upright, and I got out of the office for two years.”

The Halmosian Rules

Halmos is a one-of-a-kind character. He typically

“Aqua Village,” a raft-up of houseboats used as a base for Halmos and crew, became a safe haven for decompression at the end of another long day attempting to solve the predicament.



Key West for help. The station, however, had evacuated to Orlando, and the Miami station offered to notify everyone’s next of kin, according to Halmos. There was nothing to do but ride it out.

As Legacy was dragged out to sea, the waves grew to 25 feet, and incoming water forced them to shut down power. “Then there was something like an explosion,” Halmos recalls. “It must have been a tornado; it picked us up and actually lurched us. I looked up through the skylight in the wheelhouse and saw the rigging beginning to crumble down. When the boom hit the wheelhouse roof, glass shattered, and all the instruments popped out of the wall. It was like a bomb hit. It was utter pandemonium.”

At the mercy of the hurricane’s 20- to 30-foot seas and 125-mph winds, Legacy was tossed about while the crew hunkered down in the saloon. “We were completely helpless,” the owner recalls. They weren’t sure if they would sink from the water coming in, capsize or break apart.

The nightmare lasted hours until the yacht was blown into the shallow waters of the Sanctuary. The crumpled rigging turned out to be a godsend; it slowed Legacy’s progress out to sea just enough for the hurricane to pass.

When Legacy finally came to rest, they initially thought the anchors must have reset themselves, because she was sitting upright. In the 60-knot winds the next morning, unable to see land or the sea bottom, Collins and Halmos taped a hammer to a PVC pole and lowered it into the water to check the depth. The hammer fell off and stuck upright. It dawned on them that Legacy was aground in mere inches of water.

“That’s when I knew we would make

doesn a T-shirt and shorts, going barefoot and with a broad-brimmed hat for shelter from the sun. He constantly applies sunblock, especially lip balm, which is bright white and outlines his lips with a Ronald McDonald likeness. He is showered, with clean clothes and sandals, for dinner at his “Aqua Village” every evening about 9 p.m. (The Aqua Village is Halmos’ armada of rafted luxury houseboats that became his home base after the grounding.) It’s the reward for a day spent dealing with Legacy’s removal from his aft deck conference room, which converts to a movie theater at night.

Halmos knows he’s lucky to be alive, and he’s the kind of guy who believes in making the best of a bad situation. In his salty lexicon, that comes out as: “Make chicken salad out of chicken shit.” You get the idea.

The yacht owner is nothing if not a survivor —

and a battler. With his big sailing yacht planted smack dab in a marine sanctuary, he says he and the federal government squared off over who was to blame and, more importantly, who was going to be fined.

Halmos says the government questioned his “act of God” defense with a kind of prove-it attitude. “Prove what?” he asks. “Prove that there’s a God?”

Halmos says he was following NOAA’s faulty weather forecast and is galled that another arm of NOAA, the one that manages the sanctuary, would then consider suing him after he nearly died depending on its forecast. In theory, Halmos could have been fined more than \$500 million. But he didn’t blink or back down.

A non-attorney partner in a Washington, D.C.-based law firm, Halmos specializes in launching large-scale lawsuits (even though he says he loathes lawyers), the kind that John Q. Public can’t afford to fight on his or her own. He grabs a worn copy of “Aesop’s Fables” and thumbs its weathered pages, citing passages with moral lessons meant for both kids and adults. He stops on “The Trees and the Axe.”

“The bottom line is that when you violate one person’s rights, you risk violating everyone’s rights,” Halmos says. “People understood this 3,000 years ago. A slave had no rights, but everyone’s rights are worth fighting for, for everyone, not just yourself. Unfairness and injustice is probably the cause of most every human adverse conduct. ... They [the government] were wrong, and they never expected me to stand up to them.”

He did, not surprisingly, and in the end, the two sides came to an agreement around 11 p.m. Dec. 31, 2006, just minutes before Halmos claims he was about to sue the government.

The accord required Halmos to remove his boat any way he chose, with no fines whatsoever, according to yacht owner. The contract stipulated that Halmos had taken “reasonable due care” before the grounding caused by an “act of God.” The accord also stipulates that NOAA is not to discuss the details of his contract, vessel removal or seagrass reforestation, Halmos says.

The world’s slowest salvage

So why did it take two-and-a-half years to drag Legacy back out along the 5,000-foot track to the channel from whence it came? For starters, moving a 158-foot yacht off the flats in such a way as to cause as little damage as possible to the seabed is no easy feat. As a matter of fact, it had never been done before. Several plans were explored before a workable solution was finally devised.



In the end, a custom pump developed by Byrd Salvage essentially sliced an 11-foot hole beneath the yacht. “The pump’s high-pressure waterjets, combined with its remote-controlled movement, surgically cut the seabed rather than sucking with brute force,” says Halmos. “Think laparoscopy as compared to a hatchet.”

A hose connected to the pump’s dome routed the substrate to a “parking” area. As *Legacy* moved — courtesy of two 80-ton cables from Byrd Salvage’s *Helen B* barge — the “parked” substrate was pumped back to refill the trench directly abaft the yacht. The operation was skirted with miles of turbidity curtains so the sediment wasn’t distributed over the seagrass. The removal costs, paid for by Halmos, ran about \$1.5 million per month.

The yacht was dragged one mile over six months, into the Gulf of Mexico’s open waters to the entrance of the Northwest Channel and then into Man O’ War Channel. She was eventually free Feb. 25. “Basically she made a huge loop two miles from where she started,” says Capt. Brian Longo, an Aqua Village crewman.

Seagrass grows laterally. The flat itself is very shallow, and the root base is tremendous. The grass showing is a fraction of the entire plant. When an injury is healed, it can take decades to grow back, according to NOAA experts.

The Florida Keys National Marine Sanctuary provides more than a habitat for heron, snapper and bottlenose dolphins. It also acts as a natural buffer for the land mass behind it (the State of Florida) and traps sediment during storms. That filter mechanism keeps water clearer on the bay side than the ocean side, where the bottom is stirred up more because of turbidity. The grass stops the sediment.

The pace of the salvage was frustrating to those concerned about the *Legacy*’s impact on the shallows. The Sanctuary got a good many calls asking why the boat was still “sitting there,” says Dave Score, superintendent of the Florida Keys National Marine Sanctuary. “There’s a lot of frustration at site level that the boat [was] still sitting there,” says Score, interviewed last year. “Yet we understand the complexities here, a beautiful yacht and wanting it out in one piece.”

Halmos is testing seagrass propagation techniques. It’s in his contract to do so. “We can put men on the moon; we can plant seagrass,” he says, contemplating his own reforestation method from



Halmos remained determined and vigilant throughout the two-plus-year ordeal of negotiations and salvage attempts.

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the comfort of his hammock office.

After being freed, *Legacy* was towed to Miami for inspection and likely will be shipped to Viareggio, Italy, for the mother of all refits. (How she will cross the Atlantic remains to be determined.)

It takes an Aqua Village

Halmos and his crew remained aboard *Legacy* for nine months after the grounding before relocating about a mile away to the group of houseboats he dubbed his Aqua Village. It’s an eclectic armada amidst the splendor of the sanctuary.

Before the yacht was freed, Halmos kept a close eye on his sailboat through

a telescope on his houseboat’s upper deck. A huge heron named Lurch heckles Halmos most mornings, and the proximity of tarpon and turtles is amazing; he swims with them daily when the water is warm enough. “There’s a big barracuda that lives under my houseboat. I don’t mess with him,” Halmos says.

Countless salvagers attempted to size up *Legacy* in the months after she was stranded. Wielding a rifle, Halmos made it clear who was in charge of the vessel. “When you’re shipwrecked, everyone wants a piece of you,” he says. “It’s eat or be eaten here.”

The son of a Hungarian émigré and a first-generation American, Halmos is a self-made man. He and his brother, Steven, created a company called SafeCard Services in 1969 when Halmos was only 25 years old. SafeCard had a simple premise: charging consumers a fee for protection from unauthorized credit card use. The company blossomed to 13 million customers in 1992, with \$22 million in earnings and \$2 billion in market capitalization, according to a report in *BusinessWeek* magazine.

But that success was followed by a lengthy legal battle between Halmos, the IRS, his former company and the Securities and Exchange Commission, a period that Halmos views as a closed chapter. “Sometimes I can’t believe I had that kind of life,” he says. “It’s inconsistent with my life now. I don’t relate to that other guy anymore.”

Halmos is not anxious to return to the trappings of conventional society. Even though *Legacy* has been freed, he says he has no immediate plans to leave the Aqua Village,

although he does grumble a bit about eventually having to “get back to work.”

“Imagine getting up in the morning, having your coffee and seeing a dolphin jump out the water in front of you — you don’t get mad,” Halmos says. “I used to fly to New

York twice a week. I don’t want to do that anymore.” He says he gets as much done in his aft deck “conference room” as he did in the office.

“I do it my way [out here],” Halmos says. “No more housekeepers. I do my own laundry now, but I don’t fold towels ’cause I don’t want to. ... Time isn’t relevant out here.”

Sitting on the westernmost floating dock to have a drink and watch the sunset each day is a ritual at Aqua Village. Then the crew prepares the evening meal while Halmos works on cases.

“People can accomplish what they want without sacrificing the quality of their lives,” Halmos says. “I love the ocean, water, sun. I always have. We’re all boaters; I don’t know what a yachtsman is.” ■

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The tug *Helen B* futilely attempts to pull *Legacy* from her quandary in February 2006 — some five months after her grounding.

