

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:20-cv-00394-WFJ-SPF

SECURITIES AND EXCHANGE COMMISSION,	)
	)
<b>Plaintiff,</b>	)
	)
v.	)
	)
<b>KINETIC INVESTMENT GROUP, LLC and</b>	)
<b>MICHAEL SCOTT WILLIAMS,</b>	)
	)
<b>Defendants, and</b>	)
	)
<b>KINETIC FUNDS I, LLC,</b>	)
<b>KCL SERVICES, LLC d/b/a LENDACY,</b>	)
<b>SCIPIO, LLC,</b>	)
<b>LF42, LLC,</b>	)
<b>EL MORRO FINANCIAL GROUP, LLC, and</b>	)
<b>KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,</b>	)
	)
<b>Relief Defendants.</b>	)
_____	)

**ORDER GRANTING PLAINTIFF SECURITIES AND EXCHANGE  
COMMISSION'S EMERGENCY MOTION FOR ASSET  
FREEZE AND OTHER RELIEF**

This cause came for hearing before the Court on March 6, 2020, upon Plaintiff Securities and Exchange Commission's Emergency Motion for Asset Freeze and Other Relief, which seeks the following orders:

1. an Order Freezing the Assets of Kinetic Investment Group, LLC and Michael Scott Williams ("Williams") (collectively, "Defendants") and Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF42, LLC, El Morro Financial Group, LLC, and KIH, Inc. f/k/a Kinetic International, LLC (collectively, "Relief Defendants");

2. an Order Requiring a Sworn Accounting;
3. an Order Prohibiting the Destruction of Records; and
4. an Order Expediting Discovery.

The Court has considered all of the papers submitted in support of and in opposition to this Motion, and the arguments of the parties. The Court finds the Commission has made a sufficient and proper showing in support of the relief granted herein by presenting a *prima facie* case showing a reasonable approximation of the likely disgorgement award against the Defendants and Relief Defendants, which exceeds the amount of assets to be frozen. Accordingly, the Court finds good cause to believe that, unless it imposes an asset freeze, Defendants and Relief Defendants could dissipate, conceal or transfer from the jurisdiction of this Court assets that are likely subject to an Order of Disgorgement. The Court therefore orders as follows:

I.

**ORDER FREEZING ASSETS**

**IT IS ORDERED** that:

A. Defendants and Relief Defendants, their directors, officers, agents, servants, employees, attorneys, depositories, banks, insurance companies, and those persons in active concert or participation with any one or more of them, and each of them, who receive notice of this order by personal service, mail, facsimile transmission or otherwise, be and hereby are, restrained from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property, including but not limited to cash, free credit balances, fully paid for securities, and/or

property pledged or hypothecated as collateral for loans, or charging upon or drawing from any lines of credit, owned by, controlled by, or in the possession of Defendants and Relief Defendants.

B. Any financial or brokerage institution or other person or entity holding any such funds or other assets, in the name, for the benefit or under the control of Defendants or Relief Defendants, directly or indirectly, held jointly or singly, and wherever located, and which receives actual notice of this order by personal service, facsimile, or otherwise, shall hold and retain within its control and prohibit the withdrawal, removal, transfer, disposition, pledge, encumbrance, assignment, set off, sale, liquidation, dissipation, concealment, or other disposal of any such funds or other assets, including, but not limited to, the following presently known accounts:

1. Kinetic Investment Group, LLC  
BMO Harris Bank, N.A.  
Account No. XXXXXX6794
2. Michael S Williams  
Interactive Broker LLC  
Account No. XXXX1027
3. Kinetic Funds I, LLC  
BMO Harris Bank, N.A.  
Account No. XXXXXX4255
4. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX8796
5. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX2008

6. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX2028
7. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX2031
8. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4161
9. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4162
10. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4165
11. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4166
12. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4167
13. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4170
14. Kinetic Funds, I, LLC  
Interactive Broker LLC  
Account No. XXXX4172
15. KCL Services, LLC  
BMO Harris Bank, N.A.  
Account No. XXXXXX8676
16. KCL Services, LLC  
BMO Harris Bank, N.A.  
Account No. XXXXXX1081

17. LF42, LLC  
BMO Harris Bank, N.A.  
Account No. XXXXXX4247
18. Obsidian Technologies, LLC (as to funds owed to Williams)  
BMO Harris Bank, N.A.  
Account No. XXXXXX1601
19. Obsidian Technologies, LLC (as to funds owed to Williams)  
BMO Harris Bank, N.A.  
Account No. XXXXXX4271
20. Kinetic Partners LLC (as to funds owed to Williams)  
BMO Harris Bank, N.A.  
Account No. XXXXXX8684
21. Kinetic Securities Trading LLC (as to funds owed to Williams)  
BMO Harris Bank, N.A.  
Account No. XXXXXX3801
22. Kinetic Financial Advisors LLC f/k/a Kinetic Strategic Group LLC (as to funds owed to Williams)  
BMO Harris Bank, N.A.  
Account No. XXXXXX4298
23. Kinetic Strategic Group LLC (as to funds owed to Williams)  
Interactive Broker LLC  
Account No. XXXX6662

**II.**

**SWORN ACCOUNTING**

**IT IS FURTHER ORDERED** that within fifteen (15) days of the issuance of this Order, Defendants and Relief Defendants each shall:

- A. Make a sworn accounting to this Court and the Commission of all assets, funds, or other properties held by Defendants or Relief Defendants, jointly or individually, or for its

direct or indirect beneficial interest, or over which it maintains control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property; and

B. Provide to the Court and the Commission a sworn identification of all accounts (including, but not limited to, bank accounts, savings accounts, securities accounts and deposits of any kind) in which Defendants or Relief Defendants (whether solely or jointly), directly or indirectly (including through a corporation, partnership, relative, friend or nominee), either has an interest or over which it has the power or right to exercise control.

### III.

#### **RECORDS PRESERVATION**

**IT IS FURTHER ORDERED** that Defendants and Relief Defendants, any of their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to any of the Defendants or Relief Defendants, wherever located and in whatever form, electronic or otherwise, until further Order of this Court.

### IV.

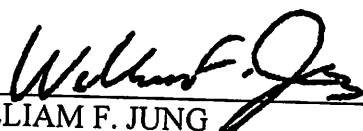
#### **RETENTION OF JURISDICTION**

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction over this matter, Defendants, and Relief Defendants in order to implement and carry out the terms of all Orders

and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

The Court does not order expedited discovery, except as expressly noted here or in the Order establishing the receivership

**DONE AND ORDERED** this 6th day of March, 2020, in Tampa, Florida.

  
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WILLIAM F. JUNG  
UNITED STATES DISTRICT JUDGE

Copies to: Counsel of record