

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Case No. 8:20-cv-394-T-35SPF

KINETIC INVESTMENT GROUP, LLC,
and MICHAEL SCOTT WILLIAMS,

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,

Relief Defendants.

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ORDER

Receiver filed his First Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses (Doc. 73). Upon review, Receiver is directed to supplement his Application by **July 15, 2020**, to address the inconsistencies between the Application (Doc. 73 at 17-18), the E-Hounds, Inc.'s fee schedule (Doc. 74-7), and the invoice for E-Hounds' services (Doc. 74-12). Receiver's Application seeks payment of \$33,945 in fees and \$875 for expenses for services rendered by E-Hounds for a total of \$34,820. (Doc. 73 at 18). The Application indicates that "[a]s an accommodation to the Receiver, E-Hounds ... provided preferred hourly rates ranging from \$195 to \$250 for customary forensic imaging tasks." (Doc. 73 at 17).

As an aside, the fee schedule did not include a separate line item for expenses but, instead, listed billable hours totaling the full \$34,820 being sought. A comparison of the invoice with the fee schedule reveals that James C. Schooler's billable amount is listed as \$4,060 on the fee schedule instead of the \$2,890 reflected on the invoice, an overage of \$1,170. On the other hand, Robert Rohr's billable amount is listed as \$24,410 on the fee schedule, \$295 less than the \$24,705 reflected on the invoice. The \$1,170 overage for Schooler minus the \$295 underbilled for Rohr reveals where the \$875 in expenses are hidden on the fee schedule. More importantly, the issue for which the Court seeks explanation is in relation to the Receiver's representation that E-Hounds' hourly rates were reduced to \$195 to \$250 for customary forensic imaging tasks and Rohr's rate being listed as \$195 to \$250 on the fee schedule. (*See* Doc. 73 at 17 and Doc. 74-7). In marked contrast, the E-Hounds' invoice includes 6 hours billed by Rohr at a rate of \$1,000 per hour for "Triage Reporting." (Doc. 74-12). It is for this discrepancy that the Court seeks clarification.

ORDERED in Tampa, Florida, this 1st day of July 2020.



SEAN P. FLYNN
UNITED STATES MAGISTRATE JUDGE