

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**KINETIC INVESTMENT GROUP, LLC and
MICHAEL SCOTT WILLIAMS,**

CASE NO.: 8:20-cv-394

Defendants, and

**KINETIC FUNDS I, LLC,
KCL SERVICES, LLC d/b/a LENDACY,
SCPIO, LLC, LF 42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and KIH, INC.,
f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

**RECEIVER'S SECOND INTERIM OMNIBUS APPLICATION FOR ALLOWANCE
AND PAYMENT OF PROFESSIONALS' FEES AND REIMBURSEMENT OF
EXPENSES FOR APRIL 1, 2020 - JUNE 30, 2020¹**

Mark A. Kornfeld, Esq., in his capacity as the court-appointed Receiver (the “Receiver”) for Defendant Kinetic Investment Group, LLC and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC (collectively, the “Receivership Defendants”), moves this Court for the entry of an order awarding fees and reimbursement of costs to the Receiver and his professionals whose retention has been approved by the Court. *See* Docs. 41-43, 47. This motion covers all fees and costs incurred

¹ See Order Appointing Receiver (Doc. 34) at ¶ 54.

from April 1, 2020, through June 30, 2020 (the “Application Period”). The Securities and Exchange Commission’s (the “SEC” or “Commission”) Standardized Fund Accounting Report (“SFAR”) for this period is attached hereto as **Exhibit 1**. The Commission does not oppose this Motion. Defendant Williams does not take a position on the Motion but has indicated he will not be filing any Opposition. In support thereof, the Receiver states as follows:

I. Preliminary Statement

The Receiver seeks Court approval to pay the sum of \$296,239.39 to the professionals engaged by the Receiver for fees incurred and reimbursement of \$9,513.70 in expenses for a total payment of \$305,753.09. This Application includes time billed for the three-month period from April 1, 2020 through June 30, 2020. The professionals who seek payment hereunder have made various accommodations given the public interest nature of this appointment, including providing a discount to their normally-charged rates, agreeing to seek payment of fees on a quarterly basis, and not seeking payment for any time incurred prior to the Receiver’s appointment.

This is an extremely complex receivership involving the interrelated and simultaneous operation of multiple sub-funds in a hedge fund structure, a purportedly independent-yet-intertwined and financially-related lending platform, and the use of investor funds to purchase at least two parcels of real estate and fund the operation of at least three companies in Puerto Rico. The Receiver has also faced challenges in carrying out his duties given the current COVID-19 pandemic. Despite these challenges, the Receiver and his retained professionals have worked expeditiously and efficiently to provide valuable services and secure investor

assets, have billed at significantly reduced rates, and are entitled to reasonable payment of the fees and reimbursement of their expenses.

For the time covered by this Motion², the Receiver and his retained professionals have performed extensive and valuable services on behalf of the Receivership estate which include, but are not limited to, the following:

1. Motion for Turnover

- The Receiver filed a Motion for Turnover of a Puerto Rico luxury apartment complex previously purchased by Defendant Williams in May 2017 for approximately \$1.7 million which he used as his personal residence and for his personal benefit. The Receiver determined that the complex was purchased with Kinetic Funds' investor monies (Doc. 72). Through a resolution reached by the Receiver and Williams' counsel that was memorialized in a stipulation filed on July 6, 2020, and approved by the Court on July 8, 2020 (Doc. 105), the Motion for Turnover was resolved by consent and resulted in the agreement to transfer title to the apartment complex and associated parking spaces from Williams to the Receiver. At some point in the future, the Receiver may seek to liquidate these assets to cash, which would then be part of monies he hopes to distribute back to investors.

2. Sale of Gold

- The Receiver secured and liquidated gold coins located in the Sarasota Office in a process that obtained bids from seven local and national businesses and ultimately resulted in the receipt of over \$200,000 in proceeds for the Receivership Estate.

3. Efforts to Market and Liquidate the El Banco Espanol Building in San Juan, Puerto Rico

- The Receiver undertook an analysis of a potential sale of the historic El Banco Espanol building located in San Juan Puerto Rico and purchased by Mr. Williams with monies directly traceable to Kinetic Funds investors. These efforts included obtaining several appraisals, interviewing potential real estate brokers, reviewing and soliciting offers, analyzing the commercial and general real estate market in Puerto Rico, and assessing the most cost-efficient method for liquidating the asset, and maximizing the recovery for investors. The Receiver's efforts are ongoing and his primary consideration is to

² Neither the Receiver nor his attorneys charged for the time spent preparing this motion.

liquidate the building in a manner that results in the highest possible proceeds to the Receivership Estate.

4. Successfully Opposed Mr. Williams' Motion for Emergency Relief

- The Receiver filed a Response to Defendant Williams' Emergency Motion for Clarification (Doc. 54) opposing Williams' efforts to unfreeze a significant amount of funds frozen pursuant to the Court's entry of asset freeze orders on March 6, 2020. The Court largely denied the Motion and left the freeze in place with respect to a majority of the funds sought to be unfrozen.

5. The First Interim Report

- The Receiver prepared and filed his First Interim Report (Doc. 60), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's initial investigation as well as the tracing of investor funds.

6. The Receiver's Liquidation Plan

- The Receiver prepared and filed his Liquidation Plan setting forth a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (Doc. 92).

7. Analysis of and Motion to Repay Margin Obligations at Interactive Brokers

- The Receiver and his professionals continued to research, review, and analyze nearly a decade worth of investor and bank statements, documents reflecting Kinetic Funds' brokerage account relationships with Bank of America/Merrill Lynch and subsequently Interactive Brokers, and certain separate assets purportedly managed by Mr. Williams outside of the Kinetics Funds for the benefit of specific investors. The Receiver's investigation has resulted in the (i) liquidation of Kinetic Funds sub-accounts resulting in cash proceeds of approximately \$13 million; (ii) identification of an additional approximately \$10 million in securities positions in two separate accounts apparently held on behalf of two investors; and (iii) approximately \$12 million in total margin debt across several sub-accounts including a sub-account containing a margin balance of nearly \$8 million.

The Receiver continued to analyze (among other things) the origin, source, and ultimate legal responsibilities for the repayment of the margin debt (in order to minimize ongoing and accruing interest payments) in order to be able to seek

authorization to transfer the maximum net proceeds into the Receiver's fiduciary account for the benefit of investors.³

8. Formulation and Determination of Equitable Claims Process and Procedures

- The Receiver and his professionals continued the forensic investigation of investor deposits and withdrawals in order to determine and formulate an equitable and efficient claims process for the Court's approval.

9. Lendacy

- The Receiver and his professionals continued their comprehensive analysis and tracing of loans, repayments, transfers, and outstanding balances for more than two dozen loans made to Kinetic investors and non-investor Kinetic employees and insiders, and assessed/analyzed the corresponding impact as part of the claims determination and methodologies processes being contemplated by the Receiver to ultimately be presented for the Court's approval.

10. Consent Judgment

- The Receiver entered into a Consent Judgment on behalf of the Receivership Entities in the underlying litigation which served to eliminate further expenditure of time and resources.

11. Administration of Monies in Response to Court Order

- The Receiver obtained Court approval for the transfer of approximately half a million dollars previously held in trust from Mr. Williams former law firm into the Receiver's separate, fiduciary bank account, for the purpose of administering Court-ordered monthly living expenses to Mr. Williams out of these proceeds instead of from current Receivership assets secured by the Receiver.

³ Shortly after the conclusion of this reporting period, the Receiver filed his Motion to (i) Approve Determination of Brokerage Account Margin Obligation; (ii) Partially Liquidate Investor Accounts to Satisfy Margin Obligations; (iii) Repay Remaining Margin Balance; and (iv) Transfer Majority of Remaining Receivership Cash Assets to Fiduciary Bank Accounts (Doc. 108). The Receiver filed that Motion seeking to have the Court approve the conclusions from his investigation and to potentially avoid spending nearly \$6 million in investor funds to cover non-receivership margin obligations. That Motion remains pending.

12. Litigation Claims

- The Receiver continued to analyze potential litigation claims against third parties that may have received funds from or otherwise provided services to or for the benefit of any Receivership Entities.

13. Continued Investigation And Review of Relevant Documentation and Information

- The Receiver and his professionals continued their investigation of the business operations of the various Receivership Entities. This included identifying, obtaining, and reviewing relevant documentation and information from the Receivership Entities' offices and interviewing various individuals, as well as securing three additional computers previously used by one or more Receivership Entities in Puerto Rico. The Receiver also served 12 non-parties with a copy of the Order Appointing Receiver and issued 11 subpoenas.

14. Terminated Lease At Sarasota Office And Stored Contents For Liquidation

- The Receiver determined to vacate and terminate the lease for the office used by Receivership Entity Kinetic Funds I, LLC in Sarasota, Florida to avoid incurring the monthly \$6,000 rent. The Receiver inventoried and transferred the office contents into storage units and is in the process of determining the appropriate disposition of those contents.

15. Continued Investor Outreach and Website Updates

- The Receiver responded to phone calls and written communications from Kinetic Funds investors and also continued to provide updates and announcements on the informational website at www.kineticreceivership.com for investors and other interested parties.

The above activities are discussed in more detail in the Receiver's Second Interim Report which was filed on July 30, 2020 (Doc. 111) (the "Second Report"), as well as the Receiver's First Interim Report which was filed on April 30, 2020 (Doc. 60). Each of those documents is also available on the Receiver's website at www.kineticreceivership.com. The Receiver

incorporates the Second Report into this Application and attaches a true and correct copy of the Second Report as **Exhibit 2** for the Court's convenience.

II. Background

On February 20, 2020, the Commission filed a complaint (Doc. 1) (the "Complaint") in the United States District Court for the Middle District of Florida (the "Court") against the Defendants Kinetic Investment Group, LLC and Michael S. Williams and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC, alleging that the Defendants violated the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 by making false or materially misleading representations to investors and that over \$6 million of investor funds was misappropriated to fund other business ventures and pay for other unauthorized expenses. Doc. 1.⁴

According to the Complaint, the scheme involved securities offerings made on behalf of Relief Defendant Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Defendants Kinetic Investment Group, LLC ("Kinetic Investment") and Williams. Defendants represented to investors that the largest sub-fund, Kinetic Funds Yield ("KFYield"), invested all of its assets in income-producing U.S. listed financial products hedged by listed options. *Id.* ¶ 2. Potential investors were told that KFYield was a liquid investment that would "maintain 90% principle [sic] protection" and that an investor could

⁴ On April 27, 2020, Williams served his Answer and Affirmative Defenses largely denying the Commission's allegations (Doc. 56).

redeem their principal investment “100%...without penalties” with a 30-day written notice.

Id. ¶¶ 2, 28.

Investors in the KFYield fund, which attracted the near-entirety of investor funds, were also often provided with documentation from Bloomberg’s reporting service containing claims about KFYield’s performance including that the fund had achieved positive annual returns every year since inception. Many, but not all, KFYield investors were also attracted to the investment opportunity given the advertised ability to simultaneously obtain a low-interest loan at the time of their investment from Relief Defendant KCL Services d/b/a Lendacy (“Lendacy”) based on the amount of their KFYield investment. Investors understood that Lendacy was separate from Kinetic Funds and utilized its own private funding source to make the low-interest loans.

On March 6, 2020, the Court granted the Commission’s Motion for Appointment of Receiver and entered an Order appointing Mark A. Kornfeld as the Receiver over Defendant Kinetic Investment Group, LLC and the Relief Defendants (“Order Appointing Receiver”) (Doc. 34). The Receiver’s preliminary investigation has uncovered evidence supporting the Commission’s allegations that Defendants made a number of misrepresentations relating to the promised and actual use of investor funds and the performance of the Kinetic Funds portfolios. The Receiver’s preliminary forensic accounting also shows that at least \$6 million of investor funds that were earmarked for investment in the KFYield portfolio were either misappropriated or otherwise diverted to other projects and expenses unrelated to the Kinetic Funds investment opportunity.

A mediation is currently scheduled for August 28, 2020.

III. Professional Services

Pursuant to the Order Appointing Receiver, the Receiver obtained approval to engage various Retained Personnel to assist him in carrying out his duties and responsibilities in the Order Appointing Receiver. The Order Appointing Receiver further set forth the frequency and procedures pursuant to which the Receiver was to seek compensation and expense reimbursement for the Receiver and his Retained Professionals. Doc. 34 ¶¶ 53-54. In accordance with the Commission's Billing Instructions, the Receiver states as follows:

(a) Time period covered by the Application: April 1, 2020 – June 30, 2020.

(b) Date of Receiver's appointment: March 6, 2020.

(c) Date services commenced: February 14, 2020⁵.

(d) Names and rates of all professionals: See Exs. 5-6.

(e) Interim or Final Application: Interim.

(f) Records supporting fee application: See below.

The following exhibits are provided in accordance with the Billing Instructions:

Exhibit 3: Receiver's Certification

Exhibit 4: Total compensation and expenses requested; any amounts previously requested; and total compensation and expenses previously awarded

Exhibit 5: Fee Schedule: Names and Hourly Rates of Professionals and Paraprofessionals & Total Amount Billed for each Professional and Paraprofessional:

⁵ As further described in the Receiver's First Omnibus Fee Application, the Receiver and his professionals began undertaking efforts in the weeks prior to his appointment to prepare for the possibility of the Order Appointing Receiver being entered at or following the hearing on March 6, 2020, but neither the Receiver nor his Professionals sought reimbursement of those fees or expenses.

Exhibit 5(a): Quarles & Brady LLP

Exhibit 5(b): Peters, LaPlaca, and Fusté

Exhibit 5(c): Yip & Associates

Exhibit 5(d): E-Hounds

Exhibit 5(e): PDR CPAs + Advisors

Exhibit 5(f): International Intelligence Group, LLC

Exhibit 6: The Professionals' time records for the time period covered by this Application, sorted in chronological order, including a summary and breakdown of the requested reimbursement of expenses:

Exhibit 6(a): Quarles & Brady LLP

Exhibit 6(b): Peters, LaPlaca, and Fusté

Exhibit 6(c): Yip & Associates

Exhibit 6(d): E-Hounds

Exhibit 6(e): PDR CPAs + Advisors

Exhibit 6(f): International Intelligence Group, LLC

IV. Case Status

(a) Cash on hand

As of the date of filing this Application, the Receivership bank accounts have a balance of \$8,169,479.25.⁶ The Receiver has also taken possession of various accounts at Interactive Brokers held by Kinetic Funds, including two accounts which appear to have been managed

⁶ Approximately \$205,000 remains in various bank accounts at BMO Harris that have been frozen pursuant to the Order Appointing Receiver but which have not been transferred to the Receivership bank accounts given continuing investigation into whether those accounts contain Receivership Property.

separately from Kinetic Funds and primarily consist of a large position in Johnson & Johnson securities (the “Other Accounts”). At the instruction of two investors that claim ownership of the Other Accounts, the Receiver has not taken any action as to those accounts.⁷ Not including the Other Accounts, the Receiver liquidated the remaining equity positions and there remains approximately \$13,219,546.49 in liquidated cash proceeds in those accounts. There is also a separate stand-alone account with a margin balance of -\$7,698,187.16 (the “Margin Account”). The Receiver continues to investigate the origin and ownership of the Other Accounts as well as the Margin Account, including whether or not Kinetic Funds is obligated to repay some or all of that balance.⁸

(b) Summary of the administration of the case

Since his appointment on March 6, 2020, the Receiver has administered the case with the objective of efficiently fulfilling his duties under the Order Appointing Receiver while doing so as cost-effectively as possible by, wherever possible, leveraging the use of professionals with favorable rate structures. As of the date of this Application, the Receiver currently has secured approximately \$8,169,479.25 in funds at ServisFirst Bank and

⁷ The Other Accounts have a total net balance of \$5,748,507.87 as of June 30, 2020, which includes total securities positions of approximately \$10.1 million and a corresponding margin balance of approximately -\$4.422 million. It has been represented to the Receiver that those accounts were purportedly independently managed by Williams on behalf of two Kinetic Funds investors and thus not related to the Kinetic Funds accounts. The Receiver continues to investigate the relationship between the Other Accounts and the Kinetic Funds brokerage accounts and has been in extensive discussions with those investors and his legal and forensic accounting professionals to better understand these relationships before taking any further action as to the Margin Account.

⁸ As discussed in further detail in Section V.E of the Second First Interim Report attached as **Exhibit 2**, the Receiver believes that other investors - not Kinetic Funds - are responsive for at least a portion of the Margin Balance and that the remainder is subject to set off by the Kinetic Funds brokerage accounts.

\$13,219,546.49 at Interactive Brokers not including the Other Accounts or the Margin Account. These amounts are potentially subject to set-off by the Margin Account.

During this reporting period, the Receiver has focused on continuing his investigation of the underlying business operations of the various Receivership Entities, enhancing and preserving the value of Receivership assets, investigating potential avenues to recover additional assets, and formulating a framework for an efficient and equitable claims process to begin returning funds to victims. These efforts have included the liquidation of various gold holdings, the successful filing of a motion for turnover of the Puerto Rico luxury apartment purchased by Defendant Williams with investor funds, and analyzing the potential listing of the historic commercial building in Puerto Rico that was also purchased by Defendant Williams with investor funds. The Receiver anticipates seeking Court approval for the proposed claims process in the near future. Although the Receiver has made significant progress, Defendant Williams continues to contest the Commission's allegations and thus the Receiver is unable to offer an estimate as to when the case is expected to close.

(c) Summary of creditor claims proceedings

The Receiver has begun to analyze the relationship between the Receivership Entities and current and former investors in order to determine the most equitable framework for a claims process to return investor funds that can be submitted for the Court's approval. This analysis has been complicated by the fact that many of the current and former investors in Kinetic Funds also obtained a loan (or loans) from Receivership Entity Lendacy, which required the Receiver and his forensic professionals to conduct a full forensic analysis of the flow of funds between investors and all Receivership Entities over a seven-year period based

on available financial records. With the assistance of his Retained Professionals, the Receiver has made significant progress in these efforts and in the near future anticipates seeking court approval for a comprehensive claims process to address and verify the various investor claims. At this stage, the Receiver does not believe that sufficient funds exist to satisfy all anticipated investor claims in full.

(d) Description of assets

In additional to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Second Report attached hereto as **Exhibit 2**.

(e) Description of liquidated and unliquidated claims held by the Receiver

The Receiver continues to review potential causes of action against the principals of the Receivership Defendants and various third parties, which claims remain subject to the Receiver's ongoing investigation with the assistance of his legal and forensic professionals. These claims may include common law claims and claims under fraudulent transfer statutes. While the Receiver cannot yet predict the likelihood, amount or cost-effectiveness of particular claims or the claims as a whole, the Receiver continues to diligently evaluate claims against third parties.

IV. Services Provided And Compensation Sought By The Professionals

(a) Services Provided By The Receiver And Quarles & Brady LLP

The Receiver is a partner at the law firm of Quarles & Brady LLP ("Quarles & Brady") and co-chair of Quarles & Brady's Securities Litigation Practice Group. The Receiver has

practiced law for nearly thirty years and has experience handling fraud recovery cases. The Receiver obtained Court approval to retain the services of Quarles & Brady to serve as his legal counsel. Quarles & Brady is a national full-service law firm with extensive experience in receiverships, commercial litigation, financial services, and regulatory matters. As an accommodation to the Receiver and the public interest nature of this matter, Quarles & Brady agreed to reduce the billing rate of its professionals for this case as provided in the Fee Schedule attached hereto as **Exhibit 5** which was, on average, more than 20% (and in some instances, closer to 30%) less than the customary rate charged to clients. To date, these discounts resulted in a total reduction of over \$100,000 from the rates customarily charged by Quarles & Brady attorneys to clients.⁹

The standard hourly rate which the Receiver charges clients begins at (and often exceeds) \$625. However, the Receiver agreed that for purposes of his appointment as the Receiver, his hourly rate would be reduced to \$437.50 per hour, representing approximately a thirty percent (30%) discount off the standard hourly rate which he charges clients in comparable matters. This rate was set forth in the Commission's Motion to Appoint Receiver, which the Court granted on March 6, 2020 (Doc. 34). During the time covered by this motion, the Receiver seeks compensation for 187 hours expended on this Receivership. A copy of the statement summarizing the services rendered by the Receiver is attached hereto as **Exhibit**

⁹ The Receiver and Quarles & Brady also invested numerous hours in the weeks leading up to the March 6, 2020 hearing in order to be prepared if the Court granted the Commission's Motion for Appointment of Receiver. The Receiver and Quarles & Brady incurred these hours as a matter of public interest and are not seeking reimbursement for these pre-receivership fees.

6(a). The Receiver requests the Court award him fees for the professional services rendered from April 1, 2020 through June 30, 2020, in the amount of \$81,812.50.

During the period covered by this Application, Quarles & Brady billed 473.3 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver but only seeks compensation for 429.10 of those hours. The statement summarizing the services rendered by Quarles & Brady is also encompassed within **Exhibit 6(a)** attached hereto. The work performed by Quarles & Brady has been focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; and investigating and pursuing additional assets for the Receivership as detailed in the Interim Report. The Receiver requests that the Court award Quarles & Brady fees for professional services rendered and costs incurred from April 1, 2020, through June 30, 2020, in the amounts of \$114,327.50 and \$6,307.49, respectively.

The Receiver and his legal professionals with Quarles & Brady provided these services to investigate the affairs of the Receivership Entities, preserve Receivership assets, and attempt to locate and recover additional assets. These services were incurred in connection with the administration of the Receivership and are for the benefit of aggrieved investors, creditors, and other interested parties of the Receivership Entities. All of the services for which compensation is sought were rendered on behalf of the Receivership Entities and in furtherance of the duties of the Receiver, and in discharge of the Receiver's responsibilities under the Order Appointing Receiver.

(b) Services Provided By Yip & Associates

The Receiver obtained Court approval to retain the services of Yip Associates, experienced forensic accountants, to assist in investigating and analyzing the flow of funds both into and out of the various businesses operated by the Receivership Entities, and to assist in locating any additional funds. Yip & Associates has significant experience conducting forensic and fraud investigations in actions brought by state and federal regulators including the Securities and Exchange Commission. As set forth in the Receiver's Motion to Retain Yip & Associates, Yip & Associates agreed to reduce the rates of its professionals for this case. Hal Levenberg, a Director at Yip & Associates whose normal hourly rate charged to clients is \$395, agreed to cap his rate at \$295 which is the same rate charged by the Receiver's lead counsel, Jordan D. Maglich. Yip & Associates also agreed to discount the hourly rates charged by associates and senior associates from \$195 to \$245 to \$175 and \$220, respectively.

The Receiver has relied on Yip & Associates' extensive forensic accounting experience to assist him in understanding the complex relationship between the various Receivership Entities as well as account for the numerous inflows and outflows over the past seven-year period for which the Receiver has obtained voluminous banking and brokerage statements. These services were instrumental to helping the Receiver understand and account for the flow of funds between the various entities and also saved the Receiver considerable time in preparing various documents and pleadings incorporating this forensic analysis including the Interim Report.

The Receiver has also prioritized the process of gathering the necessary information to analyze and determine the appropriate method and process for distributing funds back to

investors and interested parties with approved claims, which has involved Yip & Associates' significant assistance in preparing a preliminary forensic analysis for each investor tracing the deposit and withdrawal of funds both from any Kinetic Funds sub-fund(s) and, in many circumstances, Lendacy. These efforts seek to preserve Receivership assets by ensuring that any approved claim factors in each investor's investment and recoupment of any funds. This has enabled the Receiver to begin working on a claims motion which he hopes to present for Court approval in the coming weeks

During the period covered by this Application, Yip & Associates billed 436.4 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, but only seeks compensation for 348.10 of those hours consisting of fees in the sum of \$91,512.50 and reimbursement of expenses in the sum of \$64.80, for a total of \$91,577.30.¹⁰ A copy of the statement summarizing the services rendered by Yip & Associates is attached hereto as **Exhibit 6(c)**. The Receiver requests that the Court award Yip & Associates fees for professional services rendered and costs incurred from April 1, 2020, through June 30, 2020, in the amounts of \$91,512.50 and \$64.80, respectively.

(c) Services Provided By E-Hounds, Inc.

The Receiver obtained Court approval to retain the services of E-Hounds, Inc. ("E-Hounds") to assist with managing and facilitating access to data imaged from electronic devices and hardware belonging to the Receivership Entities. As set forth in the Receiver's Motion to Retain Information Technology Professionals) (the "IT Motion") (Doc. 38), E-

¹⁰ As seen in Yip & Associates' invoice attached as Exhibit 6(c), the vast majority of Yip & Associates' forensic accounting and investor analysis services were completed in April 2020 and the ensuing monthly invoices in May 2020 and June 2020 were significantly smaller.

Hounds principal Adam Sharp has extensive experience in this field and also with assisting court-appointed receivers including in matters brought by the SEC. As an accommodation to the Receiver, E-Hounds agreed not to charge an up-front retainer and provided preferred hourly rates ranging from \$195 to \$250 for customary forensic imaging tasks.¹¹ The Receiver has leveraged E-Hounds' lower rate structure to identify and preserve electronic data obtained from Receivership Entities' computer servers, electronic devices and paper files located at the Sarasota office and utilize the firm's review platform as a central review platform with no additional servicing or storage fees. The Court granted the Receiver's Motion to retain E-Hounds on March 6, 2020 (Doc. 42).

The extent of services provided by E-Hounds to the Receiver during this application period has primarily consisted of updating and providing the document review platform and, where necessary, performing one-off forensic imaging tasks. The Receiver anticipates that this will remain the primary services provided by E-Hounds for the foreseeable future. During the period covered by this Application, E-Hounds billed 21 hours and seeks payment of fees in the sum of \$4,485.00 and reimbursement of expenses in the sum of \$2,625.00, for a total of \$7,110.00. A copy of the statement summarizing the services rendered by E-Hounds is attached hereto as **Exhibit 6(d)**. The Receiver requests that the Court award E-Hounds fees for professional services rendered and costs incurred from April 1, 2020, through June 30, 2020, in the amounts of \$4,485.00 and \$2,625.00, respectively.

¹¹ E-Hounds' fee proposal, which was included in the Receiver's IT Motion, also included additional fees and services for non-customary tasks including expert witness and "triage reporting" services. Doc. 38 Ex. 2.

(d) Services Provided By Peters, LaPlaca, and Fusté

Given the presence of Receivership Entities' offices and potential assets in San Juan, Puerto Rico, the Receiver obtained Court approval to retain Peters, LaPlaca, and Fusté (the "Fusté Firm"), which is based in San Juan, Puerto Rico. The Receiver anticipates primarily utilizing the Fusté Firm (and/or the International Intelligence Group) to assist with any on-the-ground tasks connected with the Receivership Entities' nexus to Puerto Rico. During the period covered by this Application, the Fusté Firm billed 1.2 hours and seeks payment of fees in the sum of \$360. A copy of the statement summarizing the services rendered by the Fusté Firm is attached hereto as **Exhibit 6(b)**. The Receiver requests that the Court award the Fusté Firm fees for professional services rendered and costs incurred from April 1, 2020, through June 30, 2020, in the amount of \$360.00.

(e) Services Provided By International Intelligence Group, LLC

Given the presence of Receivership Entities' offices and potential assets in San Juan, Puerto Rico, the Receiver obtained Court approval to retain International Intelligence Group, LLC (the "IIG Firm") to assist the Receiver with executing his duties as it applies to any offices or assets located in Puerto Rico. IIG's principal, Hector Gonzales, is a retired supervisory Special Agent with the FBI with over twenty years of experience most recently in San Juan, Puerto Rico. Mr. Gonzales primarily assisted the Receiver during this Application period in locating and securing Receivership assets in San Juan, Puerto Rico immediately following entry of the Order Appointing Receiver as well as handling any day-to-day matters which were not economically feasible to be carried out by the Receiver's Florida-based professionals. During the period covered by this Application, the IIG Firm

billed 7.8 hours and seeks payment of fees in the sum of \$664.39 and reimbursement of expenses in the sum of \$136.16, for a total of \$800.55. A copy of the statement summarizing the services rendered by the IIG Firm is attached hereto as **Exhibit 6(f)**. The Receiver requests that the Court award the IIG Firm fees for professional services rendered and costs incurred from April 1, 2020, through June 30, 2020, in the amounts of \$664.39 and \$136.16, respectively.

(f) Services Provided By PDR CPAs + Advisors.

The Receiver obtained Court approval to retain the services of PDR CPAs + Advisors (“PDR”) to handle tax-related issues for the Receivership Entities. Doc. 47. This includes the preparation of any required tax-related documents as well as analyzing previous tax documents to assist the Receiver in performing his duties. PDR’s principal, Bill Price, routinely provides tax and accounting services in receivership matters. During the period covered by this Application, PDR billed the Receiver \$3,077.50 as set forth in the invoices attached as **Exhibit 6(e)**. A copy of the statement summarizing the services rendered by PDR is attached hereto as **Exhibit 6(f)**. The Receiver requests that the Court award PDR fees for professional services rendered and costs incurred from April 1, 2020, through June 30, 2020, in the amounts of \$3,077.50 and \$380.25, respectively.

MEMORANDUM OF LAW

A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred. *See SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992) (“[I]f a receiver reasonably and diligently discharges his duties, he is entitled to compensation.”); *Donovan v. Robbins*, 588 F. Supp. 1268, 1272

(N.D. Ill. 1984) (“[T]he receiver diligently and successfully discharged the responsibilities placed upon him by the Court and is entitled to reasonable compensation for his efforts.”); *SEC v. Custable*, 1995 WL 117935 (N.D. Ill. Mar. 15, 1995) (receiver is entitled to fees where work was of high quality and fees were reasonable); *SEC v. Mobley*, 2000 WL 1702024 (S.D.N.Y. Nov. 13, 2000) (court awarded reasonable fees for the receiver and his professionals). In determining reasonable compensation for the services rendered by the Receiver and his Professionals, the Court should consider the circumstances surrounding the receivership. *See Elliot*, 953 F.2d at 1577.

In addition to fees, the receiver is "also entitled to be reimbursed for the actual and necessary expenses" that the receiver "incurred in the performance of [its] duties." *Fed. Trade Comm'n v. Direct Benefits Grp., LLC*, 2013 WL 6408379, at *3 (M.D. Fla. 2013). The Receiver and his Professionals support their claims for reimbursement of expenses with “sufficient information for the Court to determine that the expenses are actual and necessary costs of preserving the estate.” *SEC v. Kirkland*, 2007 WL 470417, at *2 (M.D. Fla. 2007) (citing *In re Se. Banking Corp.*, 314 B.R. 250, 271 (Bankr. S.D. Fla. 2004)).

Here, because of the nature of this case, it was necessary for the Receiver to employ attorneys, accountants, and professionals experienced and familiar with financial frauds, federal receiverships, securities laws, banking, finance, and trusts and estates. Further, in order to perform the services required and achieve the results obtained to date, the skills and experience of the Receiver and the Professionals in the areas of fraud, securities, computer and accounting forensics, and financial transactions were indispensable.

The Receiver and his legal, forensic, and information technology professionals have each discounted their normal and customary rates as an accommodation to the Receivership and to conserve Receivership assets. The rates charged by the attorneys and paralegals are at or below those charged by attorneys and paralegals of comparable skill from other law firms in the Middle District of Florida. This case has been time-intensive for the Receiver and his Professionals because of the need to resolve many issues rapidly and efficiently. The attached Exhibits detail the time, nature and extent of the professional services rendered by the Receiver and his Professionals for the benefit of investors, creditors, and other interested parties. The Receiver anticipates that additional funds will be obtained through the Receiver's negotiations or litigation with third parties.

The Receiver is sensitive to the need to conserve the Receivership Entities' assets and respectfully submits that the fees and costs expended to date were reasonable, necessary, and benefited the Receivership. Notably, the Commission has no objection to the relief sought in this motion. *Custable*, 1995 WL 117935, *7 ("In securities law receiverships, the position of the SEC in regard to the awarding of fees will be given great weight.").

CONCLUSION

Under the terms and conditions of the Order Appointing Receiver, the Receiver, among other things, is authorized, empowered, and directed to engage professionals to assist him in carrying out his duties and obligations. The Order further provides that he apply to the Court for authority to pay himself and his Professionals for services rendered and costs incurred. In exercising his duties, the Receiver has determined that the services rendered and

their attendant fees and costs were reasonable, necessary, advisable, and in the best interest of the Receivership.

WHEREFORE, Mark A. Kornfeld, the Court-appointed Receiver, respectfully requests that this Court award the following sums and direct that payment be made from the Receivership assets:

Mark A. Kornfeld and Quarles & Brady	\$ 202,447.49
Yip & Associates	\$ 91,557.30
E-Hounds	\$ 7,110.00
Peters, LaPlaca, and Fuste	\$ 360.00
International Intelligence Group, LLC	\$ 800.55
PDR CPAs + Advisors	\$ 3,457.75

A proposed Order is attached as **Exhibit 7**.

WHEREFORE, the Receiver seeks entry of an Order granting this motion and awarding the Receiver and his professionals their interim fees, reimbursement of costs, and for such other relief that is just and proper.

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), the Receiver hereby certifies that he has conferred with counsel for Plaintiff, Securities and Exchange Commission. The Commission has indicated it does not oppose the requested relief. The Receiver has also conferred with counsel for Defendant Michael S. Williams, who has indicated he takes no position on the requested relief and will not be filing any opposition. A hearing is requested only in the event that someone files an objection thereto.

QUARLES & BRADY LLP

/s/ Jordan D. Maglich

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jordan.maglich@quarles.com
zachary.foster@quarles.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3rd day of August, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Christine Nestor, Esq.
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John T. Houchin, Esq.
Barbara Veniegra, Esq.
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Counsel for Defendant Michael Williams

/s/ Jordan D. Maglich

Attorney

EXHIBIT 1



Oldsmar / Tampa / St. Petersburg

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REPORT OF STANDARDIZED FUND ACCOUNTING REPORT

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al.
Tampa, FL

We have compiled the standardized fund accounting report for the period April 1, 2020 to June 30, 2020, and from Inception March 6, 2020 to June 30, 2020, included in the accompanying prescribed form (Civil Court Docket No. 8:20-cv-00394-WFJ-SPF). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF).

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, is responsible for the preparation and fair presentation of the standardized fund account report in accordance with requirements prescribed by the Civil Court Docket No 8:20-cv-00394-WFJ-SPF, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the standardized fund accounting report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, in presenting financial information in the form of a standardized fund accounting report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the standardized fund accounting report.

This standardized fund accounting report is presented in accordance with the requirements of the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF , which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Civil Court Docket No 8:20-cv-00394-WFJ-SPF and is not intended and should not be used by anyone other than this specified party.

Oldsmar, Florida
July 14, 2020

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 04/01/2020 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2020):			\$ 13,137,912.03
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities**	506,505.29		
Line 4	Interest/Dividend Income	27,726.32		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other	223,877.75		
	Total Funds Available (Line 1 - 8):		758,109.36	13,896,021.39
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses	294.41		
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses	18,239.32		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		18,533.73	18,533.73
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			18,533.73
Line 13	Ending Balance (As of 06/30/2020)			13,877,487.66

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 04/01/2020 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			13,877,487.66
Line 14a	Cash & Cash Equivalents		*	13,877,487.66
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			13,877,487.66
<hr/>				
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
	Report of Items Not To Be Paid by the Fund			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

***NOTE Per receiver excluded Balances in IB Account #**
4167 and 4170 Pending Investigation

****NOTE \$506,466.88 transferred in per court order from**
GreenburgTraurig for Michael William personal
expenses. First expense was paid July and will
reflect on next Report.

Receiver: _____

By: _____

Title _____

Date _____

Misc Items

Sale of gold coins \$ 223,877.75

Total \$ 223,877.75

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 3/6/20 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities*	13,652,912.06		
Line 4	Interest/Dividend Income	27,727.78		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other	223,877.75		
	Total Funds Available (Line 1 - 8):		13,904,517.59	13,904,517.59
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses	8,790.61		
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses	18,239.32		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		27,029.93	27,029.93
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			27,029.93
Line 13	Ending Balance (As of 06/30/2020)			13,877,487.66

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 3/6/20 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			13,877,487.66
Line 14a	Cash & Cash Equivalents		*	13,877,487.66
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			13,877,487.66
OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

***NOTE Per receiver excluded Balances in IB Account # 4167 and 4170 Pending Investigation**

***NOTE \$506,466.88 transferred in per court order from GreenburgTraurig for Michael William personal expenses. First expense was paid July and will reflect on next Report.**

Receiver:

By: _____

Title _____

Date _____

EXHIBIT 2

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**KINETIC INVESTMENT GROUP, LLC and
MICHAEL SCOTT WILLIAMS,**

CASE NO.: 8:20-cv-394

Defendants, and

**KINETIC FUNDS I, LLC,
KCL SERVICES, LLC d/b/a LENDACY,
SCPIO, LLC, LF 42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and KIH, INC.,
f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

RECEIVER'S SECOND INTERIM REPORT

Mark A. Kornfeld, Esq., in his capacity as the court-appointed Receiver (the “Receiver”) for Kinetic Investment Group, LLC (“KIG”), Kinetic Funds I, LLC (“Kinetic Funds”), KCL Services, LLC d/b/a Lendacy (“Lendacy”), Scipio, LLC (“Scipio”), LF 42, LLC (“LF42”), El Morro Financial Group, LLC (“El Morro”), and KIH Inc., f/k/a Kinetic International, LLC (“Kinetic International”) (collectively, the “Receivership Defendants”), respectfully files his Second Interim Report (the “Second Report”) covering information and activity occurring from April 1, 2020 to June 30, 2020. In addition to providing notice of the receivership to all known investors shortly after his appointment, the Receiver has also established an informational website at www.kineticreceivership.com, which is regularly

updated with important court filings (including previous and subsequent Interim Reports), announcements, and other news that might be relevant to interested parties.

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I. INTRODUCTION

A. Overview of Significant Activities During This Reporting Period

During the time period covered by this Interim Report (April 1, 2020 to June 30, 2020), the Receiver and the team of retained professionals have engaged in significant activities including but not limited to:

1. Motion for Turnover

- The Receiver filed a Motion for Turnover of a Puerto Rico luxury apartment complex previously purchased by Defendant Williams in May 2017 for approximately \$1.7 million which he used as his personal residence and for his personal benefit. The Receiver determined that the complex was purchased with Kinetic Funds' investor monies (Doc. 72). Through a resolution reached by the Receiver and Williams' counsel that was memorialized in a stipulation filed on July 6, 2020, and approved by the Court on July 8, 2020 (Doc. 105), the Motion for Turnover was resolved by consent and resulted in the agreement to transfer title to the apartment complex and associated parking spaces from Williams to the Receiver. At some point in the future, the Receiver may seek to liquidate these assets to cash, which would then be part of monies he hopes to distribute back to investors.

2. Sale of Gold

- The Receiver secured and liquidated gold coins located in the Sarasota Office in a process that obtained bids from seven local and national businesses and ultimately resulted in the receipt of over \$200,000 in proceeds for the Receivership Estate.

3. Efforts to Market and Liquidate the El Banco Espanol Building in San Juan, Puerto Rico

- The Receiver undertook an analysis of a potential sale of the historic El Banco Espanol building located in San Juan Puerto Rico and purchased by Mr. Williams with monies directly traceable to Kinetic Funds investors. These efforts included obtaining several appraisals, interviewing potential real estate brokers, reviewing and soliciting offers, analyzing the commercial and general real estate market in Puerto Rico, and assessing the most cost-efficient method for liquidating the asset, and maximizing the recovery for investors. The Receiver's efforts are ongoing and his primary consideration is to liquidate the building in a manner that results in the highest possible proceeds to the Receivership Estate.

4. Successfully Opposed Mr. Williams' Motion for Emergency Relief

- The Receiver filed a Response to Defendant Williams' Emergency Motion for Clarification (Doc. 54) opposing Williams' efforts to unfreeze a significant amount of funds frozen pursuant to the Court's entry of asset freeze orders on March 6, 2020. The Court largely denied the Motion and left the freeze in place with respect to a majority of the funds sought to be unfrozen.

5. The First Interim Report

- The Receiver prepared and filed his First Interim Report (Doc. 60), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's initial investigation as well as the tracing of investor funds.

6. The Receiver's Liquidation Plan

- The Receiver prepared and filed his Liquidation Plan setting forth a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (Doc. 92).

7. Analysis of and Motion to Repay Margin Obligations at Interactive Brokers

- The Receiver and his professionals continued to research, review, and analyze nearly a decade worth of investor and bank statements, documents reflecting Kinetic Funds' brokerage account relationships with Bank of America/Merrill Lynch and subsequently Interactive Brokers, and certain separate assets purportedly managed by Mr. Williams outside of the Kinetics Funds for the benefit of specific investors. The Receiver's investigation has resulted in the (i) liquidation of Kinetic Funds sub-accounts resulting in cash proceeds of approximately \$13 million; (ii) identification of an additional approximately \$10 million in securities positions in two separate accounts apparently held on behalf of two investors; and (iii) approximately \$12 million in total margin debt across several sub-accounts including a sub-account containing a margin balance of nearly \$8 million.

The Receiver continued to analyze (among other things) the origin, source, and ultimate legal responsibilities for the repayment of the margin debt (in order to minimize ongoing and accruing interest payments) in order to be able to seek authorization to transfer the maximum net proceeds into the Receiver's fiduciary account for the benefit of investors.¹

¹ Shortly after the conclusion of this reporting period, the Receiver filed his Motion to (i) Approve Determination of Brokerage Account Margin Obligation; (ii) Partially Liquidate Investor Accounts to Satisfy Margin Obligations; (iii) Repay Remaining Margin Balance; and

8. Formulation and Determination of Equitable Claims Process and Procedures

- The Receiver and his professionals continued the forensic investigation of investor deposits and withdrawals in order to determine and formulate an equitable and efficient claims process for the Court's approval.

9. Lendacy

- The Receiver and his professionals continued their comprehensive analysis and tracing of loans, repayments, transfers, and outstanding balances for more than two dozen loans made to Kinetic investors and non-investor Kinetic employees and insiders, and assessed/analyzed the corresponding impact as part of the claims determination and methodologies processes being contemplated by the Receiver to ultimately be presented for the Court's approval.

10. Consent Judgment

- The Receiver entered into a Consent Judgment on behalf of the Receivership Entities in the underlying litigation which served to eliminate further expenditure of time and resources.

11. Administration of Monies in Response to Court Order

- The Receiver obtained Court approval for the transfer of approximately half a million dollars previously held in trust from Mr. Williams former law firm into the Receiver's separate, fiduciary bank account, for the purpose of administering Court-ordered monthly living expenses to Mr. Williams out of these proceeds instead of from current Receivership assets secured by the Receiver.

12. Litigation Claims

- The Receiver continued to analyze potential litigation claims against third parties that may have received funds from or otherwise provided services to or for the benefit of any Receivership Entities.

(iv) Transfer Majority of Remaining Receivership Cash Assets to Fiduciary Bank Accounts (Doc. 108). The Receiver filed that Motion seeking to have the Court approve the conclusions from his investigation and to potentially avoid spending nearly \$6 million in investor funds to cover non-receivership margin obligations. That Motion remains pending.

13. Continued Investigation And Review of Relevant Documentation and Information

- The Receiver and his professionals continued their investigation of the business operations of the various Receivership Entities. This included identifying, obtaining, and reviewing relevant documentation and information from the Receivership Entities' offices and interviewing various individuals, as well as securing three additional computers previously used by one or more Receivership Entities in Puerto Rico. The Receiver also served 12 non-parties with a copy of the Order Appointing Receiver and issued 11 subpoenas.

14. Terminated Lease At Sarasota Office And Stored Contents For Liquidation

- The Receiver determined to vacate and terminate the lease for the office used by Receivership Entity Kinetic Funds I, LLC in Sarasota, Florida to avoid incurring the monthly \$6,000 rent. The Receiver inventoried and transferred the office contents into storage units and is in the process of determining the appropriate disposition of those contents.

15. Continued Investor Outreach and Website Updates

- The Receiver responded to phone calls and written communications from Kinetic Funds investors and also continued to provide updates and announcements on the informational website at www.kineticreceivership.com for investors and other interested parties.

In summary, as of the date of this Report, the Receiver has (i) secured and frozen cash and non-cash assets worth approximately \$21 million in bank and brokerage accounts; (ii) secured significant real property assets, which upon liquidation should result in an additional \$2+ million in proceeds deposited with the Receivership Estate; and (iii) investigated the over-\$12 million in margin debt sitting in Kinetic sub-accounts at Interactive Brokers and sought Court approval for his determination that Kinetic Funds should only be legally responsible for a small fraction of that balance.² Through these efforts, the Receiver has sought to and

² The Standardized Fund Accounting Report for the relevant period prepared by the Receiver's accountant is attached hereto as **Exhibit 1**.

continues to investigate the relevant issues in order to enforce the Estate’s rights and protect and maximize the Kinetic Funds’ assets available for future return to investors. The above-referenced activities are discussed in more detail in the pertinent sections of this Interim Report.

II. BACKGROUND

A. Procedure and Chronology

On February 20, 2020, the Commission filed a complaint (the “Complaint”) (Doc. 1) in the United States District Court for the Middle District of Florida (the “Court”) against Defendants and Relief Defendants alleging that Defendants violated the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 by making false or materially misleading representations to investors and that over \$6 million of investor funds was misappropriated to fund other business ventures and pay for other unauthorized expenses. Doc. 1 ¶¶ 4, 28-38.

The Complaint alleged that the scheme involved securities offerings made on behalf of Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Kinetic Investment Group and Williams. *Id.* ¶ 2. Defendants represented to investors that the largest sub-fund, KFYield, invested all of its assets in income-producing U.S. listed financial products hedged by listed options. *Id.* Potential investors were told that KFYield was a liquid investment that would “maintain 90% principle [sic] protection” and that an investor could redeem their principal investment “100% . . . without penalties” with a 30-day written notice. *Id.* ¶¶ 2, 28. Investors in the KFYield fund, which attracted the near-entirety of investor funds entrusted to Kinetic Funds, were routinely provided with documentation from Bloomberg’s

reporting service that claimed KFYield had achieved positive annual returns every year since inception. *Id.* ¶ 24. Many, but not all, investors were also attracted to the Kinetic Funds investment opportunity by the advertised ability to simultaneously obtain low-interest and unsecured loans from Lendacy based on their KFYield investment and with the understanding that 100% of their KFYield investment would continue earning dividends. *Id.* ¶ 28.

On March 6, 2020, the Court entered the Order Appointing Receiver. By separate Order, the Court also granted the Commission’s Motion for Asset Freeze and granted other relief as to all Defendants (Doc. 33). Among other things, the Orders froze Defendants’ assets and enjoined any further violations of federal securities laws.

On May 12, 2020, Defendant Williams filed his Answer and Affirmative Defenses to the Commission’s Complaint in which he denied the Commission’s substantive allegations and set forth 13 affirmative defenses (Doc. 56). On May 28, 2020, the Commission filed its Motion for Judgment of Permanent Injunction following the Receiver’s execution of a Consent Judgment on behalf of the various Receivership Entities named in the Complaint. Doc. 86. The parties are scheduled to mediate this case on August 28, 2020 (Doc. 96).

B. The Receiver’s Role and Responsibilities

As an independent agent of the Court, the Receiver’s powers and responsibilities are set forth in the Order Appointing Receiver which provides, in relevant part, that the Receiver:

- “[S]hall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the Receivership Defendants under applicable state and federal law...” and “shall assume and control the operation of the Receivership Defendants and shall pursue and preserve all of their claims.” Doc. 34 ¶¶ 4-5;
- Shall “take custody, control, and possession of all Receivership Property and records relevant thereto from the Receivership Defendants...” and “manage,

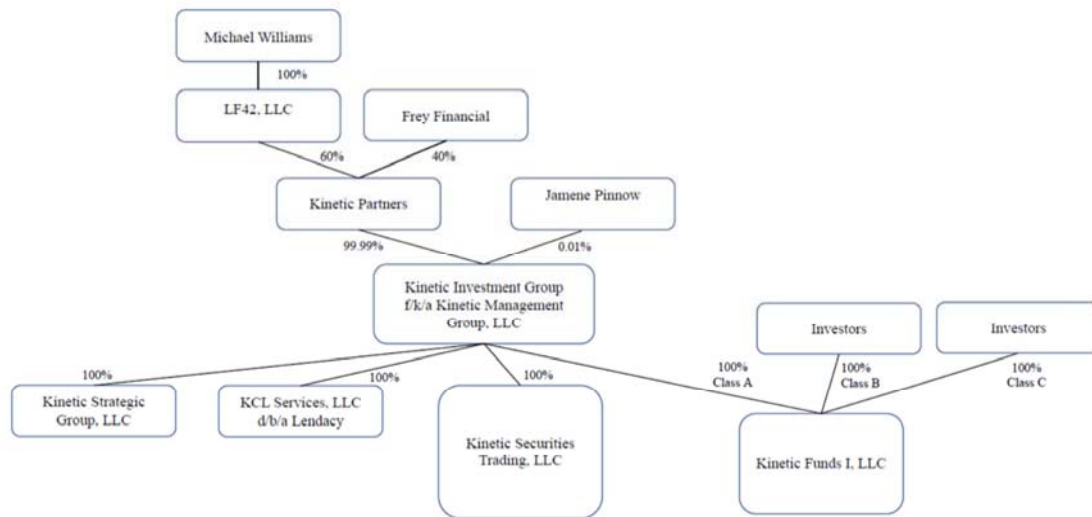
control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property pending further Order of this Court.” *Id.* ¶ 7(B);

- Is “authorized, empowered, and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted and...to institute such actions and legal proceedings...as the Receiver deems necessary and appropriate...” *Id.* ¶ 37; and
- Is directed to “develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property...and to “file and serve a full report and accounting of each Receivership Estate” for each calendar quarter. *Id.* ¶¶ 46, 48.

As contemplated by the Order Appointing Receiver, the Receiver anticipates seeking Court approval at a future point in time for the institution of an equitable claims process for the benefit of Kinetic Funds investors who have been victimized and suffered legitimate losses as a result of Defendants’ actions, as well as other third-party vendors and/or creditors.

C. Receivership Defendants

The Receiver incorporates by reference herein the descriptions of the various Receivership Defendants and Other Relevant Non-Parties set forth in the First Report. *See* Doc. 60 at pp. 12-16. A previous chart illustrating the relationship between these various entities is reproduced below:



Source: Tax Returns

Companies all used George V. Famiglio Jr. & Associates,
CPAs, 1634 Main Street, Sarasota FL 34236, 941-957-0775

All businesses use address: 1800 Second Street, Suite 955,
Sarasota

IV. OVERVIEW OF RECEIVER'S PRELIMINARY FINDINGS

In his First Report, the Receiver presented a detailed summary of various preliminary findings. Unless specifically indicated herein, those preliminary findings are incorporated herein and remain consistent with the Receiver's ongoing investigation. The Receiver reserves the right to revise, amend, and/or supplement these conclusions as the investigation progresses. The Receiver presents the following non-exclusive conclusions that he continues to supplement based on his preliminary review of the documents in his possession and with the assistance of his legal, accounting, and forensic professionals.

A. Discrepancies Between Kinetic Funds' Actual And Reported Performance

Many investors were attracted to KFYield through promises of consistent investment returns made possible through lower risk, "principle [sic] protection," and "maximum liquidity." KFYield's consistent investment performance was depicted in materials that were distributed to current and prospective investors, including documents from the Bloomberg

listing service displaying the fund's reported performance. The following chart lists KFYield's annual performance from 2013 to 2019 based on figures reported by Bloomberg and distributed to current and prospective investors:

<u>Year</u>	<u>Bloomberg Reported Performance For KFYield Fund</u>
2013	9.79%
2014	21.27%
2015	.21%
2016	2.24%
2017	1.04%
2018	7.09%
2019 (through June 28, 2019) ³	2.45%

Beginning in June 2014, Kinetic Funds maintained brokerage accounts for KFYield and other sub-accounts at Interactive Brokers.⁴ According to Interactive Brokers' Portfolio Analyst tool, KFYield's trading account performance (and change in net asset value) from 2015 to present is below:

<u>Year</u>	<u>Actual Interactive Brokers Performance For KFYield Fund Account</u>
2015	-8.8%
2016	-3.8%
2017	-27.5%
2018	12.8%%
2019	-1.2%

³ The Receiver has not seen any information indicating that Kinetic Funds updated the Fund's performance figures as reported by Bloomberg after September 2019.

⁴ Prior to June 2014, trading accounts for KFYield and other sub-funds were held at Bank of America/Merrill Lynch by Kinetic Securities Trading ("KST"), a predecessor to Kinetic Funds.

There are significant discrepancies between the figures reported by Bloomberg and calculated by Interactive Brokers.

For example, the 2017 annual statement produced by Interactive Brokers for KFYield's trading account showed the following:

Net Asset Value					
	December 31, 2016	December 31, 2017			
	Total	Long	Short	Total	Change
Cash	-11,437,677.94	0.00	-88,877,936.84	-88,877,936.84	-77,440,258.90
Stock	17,653,496.00	104,667,799.00	-219,768.00	104,438,041.00	86,784,546.00
Options	264,376.62	3,067,374.02	-13,927,674.86	-10,860,300.83	-11,124,677.35
Interest Accruals	-4,140.83	0.00	-99,942.86	-99,942.86	-95,802.03
Dividend Accruals	34,887.82	134,620.11	0.00	134,620.11	99,632.29
Total	6,510,940.67	107,869,693.13	-103,126,312.66	4,734,380.68	-1,776,559.99
Time Weighted Rate of Return					-27.62%

According to this statement, KFYield had a Net Asset Value ("NAV") of \$6,510,940.57 as of December 31, 2016. The statement shows that KFYield's NAV declined to \$4,734,380.58 as of December 31, 2017 - an annual change of -\$1,776,559.99 or -27.62% of the account's NAV. As of December 31, 2017, the account holdings consisted of over \$104 million in stock positions, -\$10.8 million in net options positions, and a cash balance of nearly -\$89 million.

Another portion of that statement entitled "Change in NAV" showed a break-down of the annual change in the NAV during that period:

Change in NAV	Total
Starting Value	6,510,940.67
Mark-to-Market	-3,164,606.38
Position Transfers	16,684.00
Dividends	1,923,148.82
Withholding Tax	-2,036.76
Change in Dividend Accruals	99,632.29
Interest	-439,632.20
Change in Interest Accruals	-95,802.03
Other Fees	-253.30
Commissions	-120,842.30
Transaction Fees	-2,953.13
Ending Value	4,734,380.68

As the statement shows, the KFYield account generated nearly \$2 million in dividends during this period but also incurred mark-to-market losses of over -\$3.1 million and paid over \$500,000 in commissions and margin interest charges.

These figures contrast with representations made to investors in a quarterly report distributed by Kinetic Investment Group and in the fund's reported performance data on Bloomberg. For example, the 2017 Q4 Quarterly Report's "4th Quarter Review" authored by Williams stated that "Last year maintained a conservative approach of over-hedging against potential market volatility." The Bloomberg report included with that Quarterly Report showed that the fund had total assets of \$31.78 million and that its year-to-date performance (as of December 29, 2017) was 1.04%. The Receiver has made requests to Williams' counsel for more information and clarification regarding the calculation of investment performance for KFYield but has, to date, not received any formal response.

B. Kinetic Funds Management Fees

The Receiver's investigation shows Kinetic Funds and Lendacy made total transfers of nearly \$5 million to Kinetic Investment Group over the relevant period. Although the agreements between Kinetic Funds and its investors specified that Kinetic Funds would pay Kinetic Investment Group a management fee of 1% of assets under management as well as 20% of any profits realized from trading of investor assets, the total transfers of nearly \$5 million appear to be significantly larger than what the 1% "expense ratio" for assets under management would have been even using the numbers reported to investors at the end of each calendar year.⁵ Based on the Receiver's investigation, it appears that at least a portion of these

⁵ This also assumes that Kinetic Investment Group was entitled to receive this "expense ratio"

transfers were used by Kinetic Investment Group for other unauthorized expenses that did not benefit investors. For example, El Morro Financial received nearly \$1 million in transfers from Kinetic Investment Group during the period of March 2017 to December 2019. *See* First Report pp. 47-53.⁶ The Receiver continues to investigate these discrepancies.

C. Lendacy's Funding Source Was Kinetic Funds

Lendacy received approximately \$16.2 million into its bank accounts from February 2013 to March 2020, including nearly \$13 million in transfers of investor funds from Kinetic Funds' bank account. Lendacy used these transfers to fund at least 28 loans to various individuals and entities during that time period. These loans often featured significantly below-market rates, were not typically collateralized, and contained little recourse in the event of default. Of those 28 loans, at least four were made to insiders (such as Williams, his related entities, and employees) and non-KFYield investors.⁷

D. Significant Losses From Association With VTrader Pro, LLC

At the March 6, 2020 hearing, Williams' counsel disclosed that part of the Kinetic Funds asset shortfall identified by the Court was attributable to losses suffered in connection with Kinetic Funds' previous relationship with a failed broker-dealer named VTrader Pro,

fee even if a majority of investor funds were never deposited into brokerage accounts as represented.

⁶ The vast majority of these transfers appear to have been made pursuant to monthly invoices ranging from \$25,000 to \$50,000 generated by El Morro for purported services relating to "Statement Reporting" and other various expenses apparently for Kinetic Funds investors. El Morro also funded a lavish Kinetic Financial Summit in San Juan, Puerto Rico in early 2019 that had no discernible benefit to Kinetic Funds investors.

⁷ With the exception of Williams, none of those loan recipients had an underlying investment with KFYield, which means that their loan would have likely been funded with other investor funds.

LLC (“VTrader”). The Receiver has seen evidence that Kinetic Funds’ predecessor, KST, was a Class B, “Entrepreneurial Member Trader” of VTrader before VTrader’s registration was terminated in January 2013.⁸ As an “Entrepreneurial Member Trader,” KST shared in the profits and losses of VTrader and received distributions based on the percentage of profits in its individual trading accounts. Additionally, KST’s trading accounts were assets of VTrader and subject to VTrader’s obligations and third party claims.

At some point in 2011, VTrader suffered heavy losses and needed a capital infusion to remain viable. To this end, Williams agreed to exchange \$1 million from the KST Class B investment in VTrader and convert it to Class A stock. The Receiver is also investigating evidence that KST leveraged its margin capabilities at its then-current broker-dealer to generate sufficient funds for a separate entity to make a multi-million dollar Class A investment in VTrader. VTrader subsequently collapsed, resulting in the loss of both KST’s \$1 million investment as well as the multi-million dollar loan extended on behalf of the similarly-situated party. It appears those losses were satisfied by (and depleted) investor assets.⁹ The Receiver’s investigation into these events has been hampered by the passage of nearly ten years from these events and the unavailability of sufficient documentation, but it appears that investor funds were adversely affected by these events.

⁸ See <https://brokercheck.finra.org/firm/summary/131920>.

⁹ In January 2012, VTrader informed Williams that most of the \$1 million that KST had converted to Class A stock had been used to pay down debt balances owed by Class B members and was gone. With respect to the \$1 million Williams converted into a Class A investment, it appears that KST received only \$5,000 in the liquidation. Thus, in addition to any trading losses KST incurred on its subaccounts, it also seemingly lost nearly \$1,000,000 as a result of its Class A investment in VTrader.

E. Williams' Use Of Investor Funds For His Own Benefit

The Receiver's review of the financial transactions among the various Receivership Entities has allowed him to trace millions of dollars in investor funds that were transferred to or for the benefit of Defendant Williams and without any discernible authorized purpose or benefit to Kinetic Funds. As further detailed in the First Report, these transfers include:

- The use of \$1.7 million in investor funds, later classified as a Lendacy loan, to purchase a luxury apartment multiplex in Puerto Rico and corresponding parking spaces. In addition to using one of the apartments as his primary residence, Williams also rented out one of the units to a tenant for which he received monthly rental income not turned over to Kinetic Funds (*See First Report pp. 43-44*);
- The use of \$2.7 million in investor funds, later classified as a Lendacy loan, to purchase a historic commercial bank building in San Juan, Puerto Rico on behalf of Receivership Entity Scipio, LLC (*See First Report pp. 45-46*);
- The use of \$2 million in investor funds, later classified as a Lendacy loan on behalf of Receivership Entity LF42, for various expenses relating to several Receivership Entities located and operating in San Juan, Puerto Rico, including the funding of the "Kinetic Summit" in February 2019 (*See First Report p. 47*);
- The payment of nearly \$1 million in investor funds to Receivership Entity El Morro Financial purportedly for statement preparation and other services and the payment of more than \$50,000 in salary to Williams from mid-2017 to mid-2019. Several \$10,000 checks were also written payable to (and signed by) Williams in late 2019 that contained the notation "Consulting Fee" in the memo portion:

1207

EL MORRO FINANCIAL
83 PALMERAS ST, SUITE 803
SAN JUAN, PR 00901

SCOTIABANK DE PUERTO RICO
WWW.SCOTIABANKPR.COM

101-286215

DATE August 23, 2019

PAY TO THE ORDER OF Michael Williams \$ 10,000.00

Ten Thousand 00/100****

MEMO May 2019 - backpay - Consulting Fee (El Morro)

001207 021502804 987 00055388 1

1208

EL MORRO FINANCIAL
83 PALMERAS ST, SUITE 803
SAN JUAN, PR 00901

SCOTIABANK DE PUERTO RICO
WWW.SCOTIABANKPR.COM

101-286215

DATE August 23, 2019

PAY TO THE ORDER OF Michael Williams \$ 10,000.00

Ten Thousand 00/100****

MEMO Aug 2019 - backpay - Consulting Fee (El Morro)

001208 021502804 987 00055388 1

(See First Report pp. 47-53);

- The structuring of at least one “Consulting Agreement” between Kinetic Investment Group and LF42, Williams’ entity, including an agreement in September 2019 - after Williams was on notice of the Commission’s investigation - pursuant to which Kinetic Investment Group transferred \$10,000 per month to LF42 from September 2019 to February 2020 for Williams’ benefit (See First Report p. 47);
- The sale of Williams’ car to an employee in the Sarasota, Florida Kinetic Funds office for which the employee signed a Lendacy loan for \$18,000 and the same sum was wired to Williams (See First Report p. 47); and
- Arranging for who the Receiver understands to be Williams’ girlfriend to be on the payroll of Kinetic Investment Group despite the lack of any justifiable business purpose or services for value (See First Report pp. 47).

V. ACTIONS TAKEN BY RECEIVER DURING REPORTING PERIOD

During the period covered by this Interim Report, the Receiver took a number of steps to fulfill his duties under the Order Appointing Receiver.

A. Investigating and Obtaining Turnover Of Williams' Luxury Puerto Rico Apartment Multiplex

The Commission's Complaint alleged that Williams "used KFYield funds" to purchase "three luxury apartments and two parking spaces for himself in San Juan, Puerto Rico." Doc. 1 ¶ 34. The Receiver's investigation revealed evidence supporting these allegations. *See, e.g.*, First Report pp. 43-44. On March 6, 2020, Williams' counsel informed the Receiver's counsel of their position that the Villa Gabriella property was not subject to the Receiver's reach since it was held and owned by Williams individually. The Receiver agreed temporarily not to seek possession of the Villa Gabriella property in which Williams (and his girlfriend) were allegedly living.

The Receiver's investigation showed that funds from Kinetic Funds' bank account were directly traceable to the purchase of Villa Gabriella. On May 15, 2020, the Receiver filed his Motion for Possession of and Title to Residential Real Property (the "Motion for Turnover") (Doc. 72) seeking turnover of Villa Gabriella in order to secure and liquidate the property to generate additional funds to be used to compensate Kinetic Funds investors. After the Motion for Turnover was filed, the Receiver was approached by Defendant Williams' counsel and subsequently entered into an agreement to resolve the Motion for Turnover which, in relevant part, provided for the transfer of title of Villa Gabriella to the Receiver and permitted the Receiver to take steps to market and sell the property in the event the scheduled mediation on August 28, 2020 was unsuccessful. This agreement was set forth in the Joint

Stipulation filed on July 6, 2020, and later adopted by the Court on July 8, 2020 (Doc. 105). The Receiver believes the Stipulation was a successful and cost-effective resolution of the Motion for Turnover as it avoided any further expense and uncertainty in litigating and arguing the Motion for Turnover and also resulted in the agreement to transfer title to (and possession of in the event that mediation is unsuccessful) the property to the Receiver.

Since the entry of the Order approving the Stipulation, the Receiver has been involved in discussions with potential real estate professionals regarding the appraisal and sale of the property in order to allow him to be in the position to market and sell the property if the scheduled mediation results in an impasse.

B. Securing and Liquidating Physical Gold Holdings

During the process of securing the Sarasota Office, the Receiver discovered a safe containing a significant number of gold coins. After obtaining the safe code, the Receiver took possession of the gold coins. Pursuant to the authority under Paragraph 31 of the Order Appointing Receiver, which permits the Receiver to dispose of any Receivership Property (except real estate) without further Order of the Court and in the ordinary course of business, the Receiver subsequently marketed the gold coin holdings to various local and national purchasers. The Receiver received seven bids, consisting of offers to purchase the gold based on a percentage of the prevailing spot price, and ultimately selected the highest bid which offered 100% of the current spot price. This resulted in net proceeds of \$223,877.75, which were received and deposited into the Receiver's fiduciary bank account.

C. Marketing The El Banco Espanol Building In Puerto Rico

In or around May 2018, Receivership Entity Scipio, LLC entered into an agreement to purchase the historic Banco Espanol building located at 152 Tetuan Avenue, San Juan, Puerto Rico (the “Bank Building”). The Receiver’s investigation showed that approximately \$2.75 million of funds from Kinetic Funds’ bank account were used to purchase the Bank Building and that Scipio was listed as the buyer on the purchase agreement. Like the Villa Gabriella purchase, Williams apparently created documents after the sale to make the transaction look like a Lendacy loan even though there was no application or approval for any loan. And while Lendacy loans were traditionally extended to Kinetic Funds investors based on a percentage of that underlying investor’s Kinetic Funds investment, Scipio was not and had never been a Kinetic Funds investor. According to Lendacy’s former President, Williams sought to purchase the building to create a private club for billionaires, among other uses. This purchase was not for the benefit of investors in Kinetic Funds.

The Receiver’s counsel traveled to Puerto Rico to secure and take possession of the Bank Building on March 7, 2020. With the exception of a small art school occupying a portion of the ground floor, the building was vacant, and no substantive work appears to have occurred at the building for some time, if ever. Following Williams’ representation at the hearing on March 6, 2020, that a recent appraisal valued the building at \$5 million, the Receiver obtained that appraisal and determined that the \$5 million figure was valid only assuming that more than \$2 million in construction-related expenses were undertaken and completed. Otherwise, the building was appraised at a \$2.9 million “as-is” value. That appraisal was also completed in September 2019 - six months prior to the March 2020 hearing.

The Receiver obtained two additional appraisals for the Bank Building which valued the building at \$1.86 million and \$2.33 million, respectively. Each of the appraisals obtained by the Receiver references the significant repairs likely needed for any contemplated use of the Bank Building, with one appraisal observing that the building “requires a complete interior renovation” and the other noting that the “general physical condition of interior areas can be rate [sic] as poor.”

The Receiver has been evaluating the steps and process to liquidate the Bank Building given the unique nature of the property and the current global environment. As set forth in the Liquidation Plan (Doc. 92), the Receiver has given consideration to: (i) whether a public or private sale is most appropriate given the property’s individual characteristics and likelihood of generating the optimal recovery for the receivership estate; (ii) input and recommendations from real estate professionals as to the potential market and marketability of any property; and (iii) the need to seek Court approval to modify or deviate from the statutory procedures set forth in 28 U.S.C. §§ 2001 and 2004. The Receiver has spoken with and received proposals from real estate professionals about both a private and public sale mechanism and currently believes that a private sale will likely be the most efficient and cost-effective method for the Receivership Estate. To the extent the Receiver receives an offer which he believes is appropriate to accept, he will then seek approval from the Court of the proposed purchase agreement and sale. Any net proceeds from the sale will then be deposited into the appropriate Receivership Entity bank account.

D. Litigation Matters

The Receiver has also, as necessary, tended to various pending litigation matters in this case including pleadings filed by Williams, resolution of the Commission's charges against the Receivership Entities, and providing regular updates to the Court. This included the Receiver's filing of an Opposition to Defendant Williams' Emergency Motion for Clarification in which the Receiver opposed efforts to unfreeze a significant amount of funds which Williams contended were not subject to the Court's asset freeze orders (Docs. 49, 51, 54). The Receiver also worked with counsel for Williams and the Commission to obtain possession of over \$500,000 in funds then being held in trust by Williams' former law firm, and those funds were transferred to a separate fiduciary account established by the Receiver. At the Receiver's request, those funds - and not investor funds seized from the various Receivership Entities - are being used to pay Court-ordered monthly living expenses to Williams (Doc. 95). The Receiver also entered into a Consent Judgment on behalf of the Receivership Entities in May 2020, which served to resolve any further participation by the Receivership Entities in the ongoing litigation.

Pursuant to the Order Appointing Receiver, the Receiver has also updated the Court and interested parties of his continuing progress in this case through the preparation of the First Report (Doc. 60) and the Liquidation Plan (Doc. 92). The First Report presented a detailed summary of the status of the investigation performed by the Receiver and his professionals, while the Liquidation Plan detailed the Receiver's proposed plan for disposing and liquidating of various assets. Both of those reports are available on the Receiver's information website established at www.kineticreceivership.com.

E. Investigation Of Brokerage Account Assets And Margin Debt

Following his appointment, the Receiver took immediate steps to identify, secure, and review Kinetic Funds’ brokerage accounts at Interactive Brokers. Notwithstanding Defendant Williams’ representations about a separate account relationship at Dash Financial, the Receiver understands that Interactive Brokers held all of Kinetic Funds’ brokerage accounts.¹⁰ Through continuing discussions with Interactive Brokers and Kinetic Funds’ head trader in the Sarasota Office, the Receiver was able to successfully liquidate all positions in the various sub-fund trading accounts for Kinetic Funds at Interactive Brokers as of March 20, 2020.

The Receiver’s investigation also revealed the presence of a significant -\$7.7 million margin balance in a Kinetic Funds sub-account at Interactive Brokers with an account number ending in x2028 (the “2028 Account”). The 2028 Account had not been previously disclosed in any pleadings or during the March 6, 2020 hearing. Rather than immediately repay the margin debt in the 2028 Account, which would have significantly depleted a large portion of the available assets held in the Kinetic Funds account structure, the Receiver determined that an investigation was necessary to determine the origin and history of that margin balance and whether or not Kinetic Funds was obligated to pay the entire (or any portion of the) balance.

¹⁰ Shortly after the hearing where the Court verbally granted the Commission’s pending motions, the Receiver received phone calls and correspondence from Williams’ then-current counsel seeking urgent approval of a “pending wire that needs to be approved today of \$1.5 million to the brokerage account with Dash in order to continue to facilitate hedging and trading operations.” The Receiver’s counsel later learned that Williams had been attempting to open a new brokerage account for the KFYield Fund at Dash following Interactive Brokers’ decision to freeze the Kinetic Funds accounts in mid-to-late January 2020. Dash later confirmed to the Receiver’s counsel that the Williams was still in the initial account setup process and that no funds ever were transferred to those accounts. Thus, Williams’ indication that the “time sensitive” \$1.5 million transfer was needed to “facilitate hedging and trading operations” does not appear to be accurate. The Receiver did not transfer any monies to Dash.

The Receiver also noted that two other Kinetic Funds sub-accounts ending in x4167 (the “4167 Account”) and x4170 (the “4170 Account”) appeared to be distinct from those sub-accounts used for Kinetic Funds’ securities trading and that the 4167 Account had a large holding of Johnson & Johnson (“J&J”) shares and correspondingly large margin balance. The Receiver and his professionals have made considerable progress investigating these issues.

Kinetic Funds has maintained sub-accounts at Interactive Brokers since June 2014. During June 2014, Kinetic Funds’ transferred in securities positions totaling \$14.6 million and a net cash balance (margin loan) of -\$11.89 million to an Interactive Brokers account ending in 8796 that served as a clearing account for assets moved into specific hedge funds (the “8796 Account”). These positions and margin balance came from accounts held by Kinetic Funds’ predecessor KST at Bank of America/Merrill Lynch (“BOA/ML”). Although Kinetic Funds’ account statements from Interactive Brokers provide information about the assets and margin balances after the June 2014 transfers by KST, little was known about the account relationships and balances at the prior brokerage BOA/ML.

The Receiver recently obtained brokerage statements for KST’s sub-accounts at BOA/ML during 2013 and 2014. In addition to showing the various sub-accounts representing KF Yield, KF Gold, and other sub-funds offered by Kinetic Funds, those statements also show two separate sub-accounts which appeared to be the predecessors of the 4167 Account and the 4170 Account (the “BOA Accounts”) which were owned by two Kinetic Funds investors who also had a separate management arrangement with Williams. Although a review of the BOA Accounts show that they appeared to have been separately maintained and not otherwise commingled with any other KST sub-accounts, it also revealed

the existence of margin balances in each of the BOA Accounts that collectively totaled approximately \$5.7 million as of June 4, 2014. The underlying account statements showed that the sub-account holding the large J&J position accrued the vast majority of that margin balance, which increased from roughly -\$4.63 million as of January 1, 2013 to -\$5.66 million as of June 4, 2014, and that the increase during that period was nearly entirely attributable to significant options purchases as part of a hedging strategy on the large J&J position that was the subject of a separate arrangement between Williams and that investor.

Based on this review as well as other evidence showing that the J&J position appears to have been used as collateral for significant loans benefitting the account owner dating back to the mid-2000's, the Receiver now believes that the total margin balance of roughly -\$5.7 million accrued in and for the benefit of the BOA Accounts as of June 4, 2014 was included in the roughly -\$11.8 million margin balance transferred by Kinetic to the 8796 Account in June 2014 (the "2014 Margin"). Yet, following that June 2014 transfer to Interactive Brokers, the 2014 Margin was never re-allocated to the respective sub-accounts (i.e., the 4167 Account and the 4170 Account) as had been done at BOA/ML. Rather, the entire balance (including the balance attributable to the BOA Accounts) remained in the 8796 Accounts for several years. On or around December 29, 2016, the KF Bank Account transferred \$5 million to the 8796 Account which served to reduce the outstanding balance of the 2014 Margin. The funds used to make this payment were investor dollars that were supposed to be invested in the KFYield fund, not to pay down Kinetic Funds' existing margin balance.

The 2014 Margin remained in the 8796 Account until June 25, 2018. On that date, the 2028 Account apparently generated a separate margin loan and transferred the proceeds to the

8796 Account to pay off the 2014 Margin. The 2028 Account's margin loan balance as a result of that transaction continued to grow until the Court's entry of the Order Appointing Receiver and is currently approximately -\$7.7 million.

Following discussions with counsel for the owners of the BOA Accounts, the Receiver filed his Motion to (i) Approve Determination of Brokerage Account Margin Obligations; (ii) Partially Liquidate Investor Accounts to Satisfy Margin Obligations; (iii) Repay Remaining Margin Balance; and (iv) Transfer Majority of Remaining Receivership Cash Assets to Fiduciary Bank Accounts on July 22, 2020 (Doc. 108). In the event the Court agrees with the Receiver that the owners of the BOA Accounts are responsible for at least a portion (or all) of the roughly -\$5.7 million margin balance accrued in the BOA Accounts, this would result in a corresponding increase in the amount of net proceeds the Receiver is able to transfer from Interactive Brokers to his fiduciary accounts for the benefit of all investors. The Receiver is also evaluating options to at least partially repay the margin balance to avoid the continuing accrual of interest.

F. Analysis Of Kinetic Funds and Lendacy Transactions And Formulation Of Framework For Claims Process To Be Submitted For Court Approval

Roughly half of the KFYield investors during the relevant period also elected to obtain a Lendacy loan based on a percentage of their KFYield investment. Despite the Receiver's preliminary conclusion that Lendacy was dependent on Kinetic Funds as a funding source, Lendacy took significant steps to appear to investors as a separate and independent "partner" of Kinetic Funds including the generation of separate monthly loan statements and maintaining separate bank accounts through which Kinetic Funds investor funds flowed. This

required the Receiver's forensic professionals to analyze the flow of funds and associated transactions among these various entities over a period of more than seven years for which bank statements were available.

The Receiver's forensic professionals have completed an initial analysis of each investor's transactions with both Kinetic Funds and, where applicable, Lendacy. This analysis has allowed the Receiver to determine the most equitable and efficient framework for a claims process through which recovered funds can be distributed to parties with approved claims. The Receiver anticipates filing a motion seeking Court approval for a claims process framework in the subsequent weeks. If approved, the Receiver will then distribute Proof of Claim Forms to all interested parties and investors, review all received claims, and seek Court approval of those determinations and an interim distribution to parties with approved claims.¹¹ Relevant information will also be posted on the Receiver's informational website at www.kineticreceivership.com.

G. Ongoing Efforts to Obtain Documentation And Information From Parties And Non-Parties

In addition to the computers and various documents located at the Sarasota Office, the Receiver and his professionals have continued to seek the production of relevant documentation and information from other parties. During the period covered by this report, the Receiver served 12 third parties with a copy of the Order Appointing Receiver and also served 11 subpoenas.

¹¹ In addition to investors in Kinetic Funds, the Receiver is aware of at least two potential non-investor claimants who will also receive notice of any claims process.

The Receiver was also previously informed by Williams' counsel that Williams was in possession of three computers that had apparently been used at an office in Puerto Rico by one or more Receivership Entities. The Receiver arranged to have his local professionals retrieve those computers and send them to E-Hounds for investigation and preservation. The Receiver and his professionals are in the process of reviewing those computers but have been informed that one of the computers was missing a hard drive. In discussions with Williams' current counsel, the Receiver was informed that Williams does not have any information as to the reason for or location of the missing hard drive.

H. Securing And Vacating the Sarasota Office

Following his appointment, the Receiver visited and secured Kinetic Funds' headquarters at an office located in Sarasota, Florida (the "Sarasota Office"). The Receiver learned that there were three full-time employees and an intern that worked out of the Sarasota Office and that Williams rarely was present in the office since his move to Puerto Rico in 2016. With the assistance of his forensic technology professionals, the Receiver inventoried and secured various documentation and computers on site. After learning of the \$6,000 monthly rent obligation, the Receiver determined to vacate and turn the Sarasota Office back over to the landlord. The Receiver transferred the contents of the Sarasota Office to two storage units in Sarasota and is in the process of determining the most efficient method of disposing of the contents. The Receiver envisions attempting to sell any of these contents that have resale value and that may be sold at this time and returning or otherwise disposing of any other equipment.

I. Continued Investor Outreach And Administration Of Website

Throughout the relevant period, the Receiver continued to communicate with investors and other interested parties regarding the status of his efforts and any particular questions or issues brought to the Receiver's attention. The Receiver also continued to administer his informational website located at www.kineticreceivership.com which is regularly updated with court filings and reports and also allows interested parties to contact the Receiver.

VI. THE NEXT QUARTER

A. Investigation

The Receiver believes he has identified and, if applicable, frozen or secured all known assets attributable to investor funds, and he continues to investigate the Receivership Defendants' business operations and underlying financial transactions between those operations.¹² These investigative efforts remain ongoing through the review of additional documents from (and, where necessary, interviews with) third parties. The Receiver continues to work diligently and efficiently on this task, which includes a substantial amount of documentation and financial records. The Receiver will continue to attempt to locate additional funds and other assets and will likely institute proceedings to recover assets on behalf of the Receivership Defendants. In an effort to more fully understand the conduct at issue and in an attempt to locate more assets, the Receiver will continue to conduct interviews and/or depositions of parties and third parties who may have knowledge of the fraudulent scheme. The Receiver believes that continuation of the Receivership (and employment of the

¹² A further description of these assets and the Receiver's intended liquidation plan is set forth in the Receiver's Liquidation Plan attached hereto as **Exhibit 2** and incorporated herein.

retained professionals) is necessary and imperative for the continued marshaling, liquidation, and distribution of assets.

B. Formulation and Submission Of Claims Process For Court Approval

The Receiver has prioritized the process of returning investor funds as soon as possible through a Court-approved claims process. As referenced above in Section V.F, the Receiver and his professionals have completed an initial analysis of individual investor accounts both with Kinetic Funds and, where applicable, Lendacy. With the benefit of these analyses, the Receiver has been working on formulating a claims process that will provide the most equitable determination of investor claims and distribution of Receivership assets. The Receiver anticipates submitting the proposed claims framework for Court approval within the coming weeks.

C. Liquidation of Assets

The Receiver intends to continue his marketing efforts for the Bank Building with the goal to liquidate the property for net proceeds expected to be in excess of seven figures. To the extent the Receiver accepts a bid for the property that he believes is in the best interests of the Receivership Estate, he will present that bid to the Court for approval. With respect to Villa Gabriella, the terms of the Receiver's agreement with Defendant Williams provide that the Receiver may commence efforts to sell the building on August 29, 2020 provided that the parties' mediation scheduled for the preceding day is unsuccessful. The Receiver intends to take the necessary steps prior to this deadline to analyze the potential market, obtain any necessary appraisal(s) of the property, and interview potential listing agents so that he is in position to list the property for sale on or after August 29, 2020. As with the Bank Building,

the Receiver will present any bid for Villa Gabriella he deems in the best interests of the Receivership Estate for the Court's approval.

As further discussed above in Section V.E, the Receiver also hopes to obtain clarity about the current margin issues in the Interactive Brokers accounts to allow him to transfer the maximum potential proceeds belonging to Kinetic Funds to his fiduciary accounts.

D. Potential Third-Party Claims

The Receiver has started to analyze the existence and viability of potential claims against third parties that may have received payments or transfers to which they were not entitled to receive or persons or entities that provided services to or otherwise improperly benefitted from their affiliation with the Receivership Entities. It is too early to estimate whether or not the Receiver will bring any such claims or whether any claims will result in any recovery to the Receivership Estate. In proceeding with these determinations, the Receiver intends to consider a number of factors including the cost-benefit analysis of any potential claim. Thus, the Receiver is not yet able to predict the likelihood, amount or effectiveness of any particular claim or the claims as a whole. The Receiver may, however, plan to first offer those who are required to return money to the Receivership Estate the opportunity to do so cooperatively in an effort to avoid costly litigation for all involved. The Receiver intends to seek Court approval before instituting any such third-party actions.

QUARLES & BRADY LLP

/s/ Jordan D. Maglich

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Florida Bar No. 0086106
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 30th day of July, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Christine Nestor, Esq.
Stephanie N. Moot, Esq.
John T. Houchin, Esq.
Barbara Viniegra, Esq.
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Counsel for Plaintiff

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Counsel for Defendant Michael Williams

/s/ Jordan D. Maglich

Attorney

EXHIBIT 1



Oldsmar / Tampa / St. Petersburg

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REPORT OF STANDARDIZED FUND ACCOUNTING REPORT

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al.
Tampa, FL

We have compiled the standardized fund accounting report for the period April 1, 2020 to June 30, 2020, and from Inception March 6, 2020 to June 30, 2020, included in the accompanying prescribed form (Civil Court Docket No. 8:20-cv-00394-WFJ-SPF). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF).

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, is responsible for the preparation and fair presentation of the standardized fund account report in accordance with requirements prescribed by the Civil Court Docket No 8:20-cv-00394-WFJ-SPF, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the standardized fund accounting report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, in presenting financial information in the form of a standardized fund accounting report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the standardized fund accounting report.

This standardized fund accounting report is presented in accordance with the requirements of the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF , which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Civil Court Docket No 8:20-cv-00394-WFJ-SPF and is not intended and should not be used by anyone other than this specified party.

Oldsmar, Florida
July 14, 2020

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 04/01/2020 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2020):			\$ 13,137,912.03
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities**	506,505.29		
Line 4	Interest/Dividend Income	27,726.32		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other	223,877.75		
	Total Funds Available (Line 1 - 8):		758,109.36	13,896,021.39
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses	294.41		
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses	18,239.32		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		18,533.73	18,533.73
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			18,533.73
Line 13	Ending Balance (As of 06/30/2020)			13,877,487.66

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 04/01/2020 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			13,877,487.66
Line 14a	Cash & Cash Equivalents		*	13,877,487.66
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			13,877,487.66
<hr/>				
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

***NOTE** Per receiver excluded Balances in IB Account #
4167 and 4170 Pending Investigation

****NOTE** \$506,466.88 transferred in per court order from
GreenburgTraurig for Michael William personal
expenses. First expense was paid July and will
reflect on next Report.

Receiver: _____

By: _____

Title _____

Date _____

Misc Items

Sale of gold coins \$ 223,877.75

Total \$ 223,877.75

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 3/6/20 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities*	13,652,912.06		
Line 4	Interest/Dividend Income	27,727.78		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other	223,877.75		
	Total Funds Available (Line 1 - 8):		13,904,517.59	13,904,517.59
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses	8,790.61		
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses	18,239.32		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		27,029.93	27,029.93
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			27,029.93
Line 13	Ending Balance (As of 06/30/2020)			13,877,487.66

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 3/6/20 to 06/30/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			13,877,487.66
Line 14a	Cash & Cash Equivalents		*	13,877,487.66
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			13,877,487.66
OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

***NOTE Per receiver excluded Balances in IB Account # 4167 and 4170 Pending Investigation**

***NOTE \$506,466.88 transferred in per court order from GreenburgTraurig for Michael William personal expenses. First expense was paid July and will reflect on next Report.**

Receiver:

By: _____

Title _____

Date _____

EXHIBIT 2

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**KINETIC INVESTMENT GROUP, LLC and
MICHAEL SCOTT WILLIAMS,**

CASE NO.: 8:20-cv-394

Defendants, and

**KINETIC FUNDS I, LLC,
KCL SERVICES, LLC d/b/a LENDACY,
SCPIO, LLC, LF 42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and KIH, INC.,
f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

THE RECEIVER'S LIQUIDATION PLAN

Mark A. Kornfeld, Esq., through undersigned counsel and in his capacity as the court-appointed Receiver (the "Receiver") for Defendant Kinetic Investment Group, LLC and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scpio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC, submits this Liquidation Plan (the "Plan") in accordance with Paragraph 47 of the Order Granting Plaintiff Securities and Exchange Commission's Motion for Appointment of Receiver, dated March 6, 2020 (the "Order Appointing Receiver") (Doc. 34). The Plan is based on the work of the Receiver and his counsel, agents, and other retained professionals (the "Professionals") and their investigation and findings to date. The Receiver reserves the

right to modify, supplement, or otherwise revise the recommendations presented in this Plan based on his continuing investigation.

I. INTRODUCTION

On February 20, 2020, the Commission filed a complaint (the “Complaint”) (Doc. 1) in the United States District Court for the Middle District of Florida (the “Court”) alleging violations of federal securities laws against Defendants Kinetic Investment Group, LLC (“Kinetic Investment Group”) and Michael S. Williams (“Williams”) and Relief Defendants Kinetic Funds I, LLC (“Kinetic Funds”), KCL Services, LLC d/b/a Lendacy (“Lendacy”), Scipio, LLC (“Scipio”), LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC (“Kinetic International”) (collectively, the “Receivership Entities”).

The Complaint alleged that the scheme involved securities offerings made on behalf of Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Kinetic Investment Group and Williams. *Id.* ¶ 2. Defendants represented to investors that Kinetic Funds’ largest sub-fund, KFYield, invested all of its assets in income-producing U.S. listed financial products hedged by listed options. *Id.* Potential investors were told that KFYield was a liquid investment that would “maintain 90% principle [sic] protection” and that an investor could redeem their principal investment “100% . . . without penalties” with a 30-day written notice. *Id.* ¶¶ 2, 28. Investors in the KFYield fund, which attracted the near-entirety of investor funds entrusted to Kinetic Funds, were routinely provided with documentation from Bloomberg’s reporting service that claimed KFYield had achieved positive annual returns every year since inception. *Id.* ¶ 24. Many, but not all, investors were apparently

drawn to the Kinetic Funds investment opportunity by the solicitations and advertised opportunity to also obtain low-interest and unsecured loans from Lendacy based on the dollar amount of any KFYield investment and with the understanding that 100% of their KFYield investment would continue earning dividends. *Id.* ¶ 28.

On March 6, 2020, the Court entered the Order Appointing Receiver. By separate Order, the Court also granted the Commission's Motion for Asset Freeze and granted other relief as to all Defendants (Doc. 33). Among other things, the Orders froze Defendants' assets and enjoined any further violations of federal securities laws. Upon his appointment, the Receiver immediately began his efforts to marshal and secure assets pursuant to the Order Appointing Receiver. As of the date of this Plan, the Receiver has successfully frozen approximately \$13.1 million in net cash proceeds in bank and brokerage accounts belonging to the Receivership Entities. Pursuant to the Order Appointing Receiver, the Receiver established fiduciary bank accounts at ServisFirst Bank for each Receivership Entity.

The Receiver also successfully secured other valuable real property and personal property belonging to or in the possession of Receivership Entities. For example, Receivership Entity Scipio previously purchased a historic bank building located at 152 Tetuan Street, San Juan, Puerto Rico (the "Bank Building") using funds directly traceable to investor deposits. The Receiver changed the locks to the Bank Building on March 8, 2020. The Receiver also discovered a safe in the office maintained by Kinetic Investment Group in Sarasota, Florida which contained gold coins of various weights totaling 120.1 ounces. Finally, the Receiver learned that Kinetic International used investor funds to make an investment in an aerospace start-up company and to develop a cryptocurrency software

trading platform. The Receiver obtained possession of both of those items.

Further information on the Receiver's efforts to date is available in the Receiver's Interim Report filed on April 30, 2020 (Doc. 60) and available on the Receiver's website at www.kineticreceivership.com.

II. LIQUIDATION PLAN

The Order Appointing Receiver directs the Receiver to “develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property” and to file his Liquidation Plan within 90 days of the entry of the Order Appointing Receiver. Doc. 34 ¶¶ 46-47. The Receiver presents the following Liquidation Plan.

A. Recovered, Remaining, and Recoverable Receivership Real Property

i. Assets On Hand And Potentially Recoverable

As set forth above, the Receivership Estate currently contains the Bank Building which is a historic and unique parcel of real property located in Old San Juan, Puerto Rico that was purchased in May 2018 using investor funds. The Receiver's professionals visited the building on March 8, 2020 to secure the property and observed that the building appeared to have been in a state of disrepair for some time. *See* Doc. 60 Ex. H. The Receiver has obtained two additional appraisals estimating the building's current value as \$1.86 million and \$2.33 million, respectively.¹ Each of the appraisals obtained by the Receiver references

¹ Defendant Williams also apparently obtained an appraisal of the Bank Building in September 2019 which estimated the building's “as-is” value to be \$2.9 million. Of course, the Receiver is mindful that this appraisal took place before the ongoing COVID-19 pandemic.

the significant repairs likely needed for any contemplated use of the Bank Building.²

The Receiver's investigation also revealed that Defendant Williams used investor funds to purchase a luxury apartment multiplex and associated parking spaces in San Juan, Puerto Rico (the "Apartment"). As further detailed in the Receiver's Motion for Possession of and Title to Residential Real Property (Doc. 72), Defendant Williams was not entitled or authorized to use investor funds to purchase a luxury apartment for his primary residence and the Receiver is seeking turnover of that Apartment so that it may be liquidated for the benefit of Williams' defrauded victims. If and when the Court grants the Receiver's requested relief, the Receiver intends to obtain appraisals of the Apartment to understand the possible proceeds any sale of the property would yield.

Other than the real property discussed above, the Receiver's initial investigation has not uncovered any other potential instances where real property was purchased with or otherwise traceable to investor funds. The Receiver will update the Court as his investigation continues.

ii. Contemplated Liquidation Procedure

Paragraphs 32 and 33 of the Order Appointing Receiver govern the Receiver's sale of any real property:

32. Subject to Paragraph 33 immediately below, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the

² One appraisal concludes that the building "requires a complete interior renovation" while the other indicates that the "general physical condition of interior areas can be rate [sic] as poor."

Receivership Estate, and with due regard to the realization of the true and proper value of such real property.

33. Upon further Order of this Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estates.

Doc. 34 ¶¶ 32-33. As referenced by Paragraph 33, public and private sales of real property in a receivership are governed by 28 U.S.C. § 2001 (“**Section 2001**”). Section 2001(a) sets forth procedures applicable to public sales of receivership real property (such as auctions), while Section 2001(b) provides procedures for private sales of receivership real estate. Both public and private sales of receivership real estate are subject to various marketing, notice, and appraisal requirements. *See, e.g.*, 28 U.S.C. § 2001. Although the Receiver presently intends to comply with these requirements, he also notes that courts (including courts in this district) have recognized their authority to deviate from or otherwise modify these requirements as necessary. *See, e.g., SEC v. Billion Coupons, Inc.*, 2009 WL 2143531 at *3 (D. Hawaii 2009) (authorizing private sale without any appraisals); *SEC v. Patrick Kirkland et al.*, 2009 WL 1439087 (M.D. Fla. 2009) (authorizing private sale based on one appraisal).

Pursuant to the Order Appointing Receiver and relevant statutory guidance, the Receiver intends to consider several factors in determining the feasibility and procedure for the disposition of any Receivership real property, including (i) whether a public or private sale is most appropriate given the property’s individual characteristics and likelihood of generating the optimal recovery for the receivership estate; (ii) input and recommendations from real estate professionals as to the potential market and marketability of any property; and (iii) the

need to seek Court approval to modify or deviate from the statutory procedures set forth in 28 U.S.C. §§ 2001 and 2004.

The Receiver will use commercially reasonable efforts to market each property to as many potential buyers as possible and will also include any relevant information on his website at www.kineticreceivership.com. While it is the Receiver's experience that a private sale is typically the most efficient and cost-effective way to liquidate real property and generate the maximum net proceeds for the Receivership Estate, he will work with his professionals to determine a liquidation method for each parcel of real property designed to generate the greatest return for the Receivership Estate. It is the Receiver's understanding that both the Bank Building and the Apartment are free and clear of any liens or encumbrances. To the extent the Receiver receives an offer which he believes is appropriate to accept, he will then seek approval from the Court of the proposed purchase agreement and sale. Any net proceeds from the sale will then be deposited into the appropriate Receivership Entity bank account.

B. Recovered, Remaining, and Recoverable Receivership Personal Property

i. Assets On Hand And Potentially Recoverable

The Receiver has recovered and secured various personal property pursuant to the Order Appointing Receiver which includes (i) office furniture and equipment retrieved from the Sarasota, Florida office used by Kinetic Investment Group (the "Sarasota Office") and the San Juan, Puerto Rico office previously used by multiple Receivership Entities (the "Puerto Rico Office"); (ii) physical gold holdings stored in a safe at the Sarasota Office; (iii) software source code; and (iv) a \$500,000 investment in an aerospace start-up company.

The Sarasota Office contained various office equipment, furniture, electronics, and various other furnishings. The Receiver has arranged for this property to be temporarily stored in a storage unit and is in the process of determining whether any of the property may have resalable value or should be donated or otherwise disposed of. The Receiver was also notified by Defendant Williams' counsel of the existence of three computers that were located in the Puerto Rico Office, and the Receiver is in the process of obtaining possession of, and analyzing, those computers.

The Receiver also secured a large safe in the Sarasota Office which contained approximately 120.1 ounces of gold coins in the following denominations:

- 111 1-ounce coins;
- 9 1/2-ounce coins;
- 14 1/4-ounce coins; and
- 11 1/10-ounce coins (collectively, the "Gold Holdings").

It is the Receiver's understanding that the Gold Holdings were purchased on behalf of investors in the Kinetic Funds KF Gold sub-fund. The Gold Holdings are currently being held at a secure and access-restricted location until they are liquidated.

The Receiver has also recovered two intangible assets that were purchased and/or generated by Kinetic International using funds traceable to investor deposits. One of these assets is the apparently-unfinished computer source code for a cryptocurrency trading platform that was being developed by Kinetic International but which apparently was not finished following Williams' resignation from Kinetic International in May 2019. As further detailed in the Receiver's Interim Report, a technological professional retained by Kinetic International following Williams' resignation determined that the software likely had little value and could not be improved or otherwise completed. *See* Doc. 60 at 65, fn. 40.

Kinetic International also made an investment of approximately \$500,000 into Zephyr Aerospace, LLC (the “Zephyr Investment”) on or around March 31, 2019. The Zephyr Investment is memorialized by a Simple Agreement for Future Equity signed by Zephyr and by Defendant Williams on behalf of Kinetic International, and the agreement provides for Kinetic International’s ability to receive shares in Zephyr Aerospace upon the future occurrence of certain events.

The Receiver continues to investigate whether any other personal property was purchased with assets of the Receivership Estate but has not yet been turned over to the Receiver.

ii. Contemplated Liquidation Procedure

Paragraph 31 of the Order Appointing Receiver provides the Receiver with authority to sell any personal property without obtaining Court approval:

The Receiver may, without further Order of the Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

Doc. 60 ¶ 31. For personal property in the Receivership Estate that does not appear to have any potential material value after analyzing the true and proper value, such as recovered office furniture or equipment from the Sarasota office, the Receiver intends to proceed under Paragraph 31 in attempting to sell or otherwise dispose of that property.

For the Gold Holdings, the Receiver intends to obtain at least **five** quotes from various businesses specializing in the purchase and sale of precious metals and to also list the coins for sale on his website at www.kineticreceivership.com and to accept the highest bid

received. The Receiver believes that Paragraph 31 of the Order Appointing Receiver allows him to liquidate the Gold Holdings without further Order of the Court.

The Receiver is in the process of evaluating whether any recoverable value may be obtained or generated by either the Software or the Zephyr Investment. For the Software, the Receiver intends to seek Court approval to retain a consultant to evaluate the status and completeness of the current source code and whether there could be any benefit by attempting to sell the Software in its current state. For the Zephyr Investment, the Receiver has been in contact with the principal of Zephyr and is seeking additional information about the company and its prospects. At this stage, the Receiver is not optimistic that either asset will prove to generate any material value for investors.

iii. Donation, Disposal, or Abandonment of Assets

The Receiver understands the necessity of managing the Receivership Estate in an efficient and cost-effective matter. For example, certain assets such as the office equipment or furniture from the Sarasota Office could have little to no commercial value or could be worth less than the required cost of securing and/or storing those assets. If the Receiver determines those assets would not result in any material sale proceeds and would be cost-prohibitive to maintain or store, he will likely abandon the assets or donate them to an appropriate charity pursuant to the authority set forth in Paragraph 31 of the Order Appointing Receiver. The Receiver might also seek the Court's approval to abandon or donate such assets if the circumstances warrant.

C. Potential Litigation Claims

The Receiver's primary focus since his appointment has been on securing known assets and investigating the various business operations of the Receivership Entities. In carrying out his initial investigation, the Receiver has also started to analyze the existence and viability of potential claims against third parties that may have received payments or transfers to which they were not entitled to receive or persons or entities that provided services to or otherwise improperly benefitted from their affiliation with the Receivership Entities.

It is too early to estimate whether or not the Receiver will bring any such claims or whether any claims will result in any recovery to the Receivership Estate. In proceeding with these determinations, the Receiver intends to consider a number of factors including the cost-benefit analysis of any potential claim. Thus, the Receiver is not yet able to predict the likelihood, amount or effectiveness of any particular claim or the claims as a whole. The Receiver may, however, plan to first offer those who are required to return money to the Receivership Estate the opportunity to do so cooperatively in an effort to avoid costly litigation for all involved. The Receiver intends to seek Court approval before instituting any such third-party actions.

D. Claims Proceedings And Distribution Of Proceeds

In the short time since his appointment, the Receiver and his Professionals have made significant progress in understanding the complex businesses operated by the various Receivership Entities that were both financially and organizationally intertwined. In addition to Kinetic Funds, Defendant Williams also managed and directed the operations of Receivership Entities Lendacy, Kinetic International, and El Morro which appear to have been

solely or primarily funded with investor funds. In particular, Lendacy described itself as a “partner” of Kinetic Funds and touted its ability to provide below-market-rate lines of credit to Kinetic Funds investors. A majority of investors with Kinetic Funds appear to have received a loan from Lendacy based on the amount of their Kinetic Funds investment. The Receiver is still in the process of determining how a Kinetic Funds investor’s receipt of a loan from Lendacy will be treated in the overall claims process. The Receiver has been in communication with many of Kinetic Funds investors and has appreciated their cooperation and assistance.

The Receiver has worked with his legal and forensic professionals to investigate and understand the claims of potential creditors. The Receiver anticipates that there will be two general categories of potential creditors: (1) individuals that invested in Kinetic Funds and/or received a loan from Lendacy; and (2) employees and other general trade creditors of the Receivership Entities. At this preliminary stage, it appears unlikely that the Receiver will recover sufficient assets to cover the universe of claims that are expected to be filed. Given these factors, the Receiver is currently in the process of formulating a claims process and procedure that will allow for the orderly, efficient and equitable distribution of assets while also minimizing any delays and administrative costs.

The Receiver anticipates presenting the proposed claims process for the Court’s approval within the next 45 days (the “Claims Motion”). The Claims Motion will seek (i) approval of the claims submission process, (ii) approval of the noticing procedures to be used in providing notice of the date by which claims must be filed against the Receivership Entities (the “Bar Date”) and the claims submission process; and (iii) to establish the Bar Date. As

soon as practicable following entry of an order approving the Claims Motion, the Receiver plans to provide electronic and written notice of the Bar Date and the claims submission process to all interested parties.

III. CONCLUSION

The Receiver continues to finalize his plan for liquidating all remaining, recovered and recoverable Receivership Property and urges all interested parties, including any parties interested in purchasing any assets, to visit the Receiver's website at www.kineticreceivership.com for further information.

QUARLES & BRADY LLP

/s/ Jordan D. Maglich

Jordan D. Maglich

Florida Bar No. 0086106

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docketfl@quarles.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of June, 2020, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

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Counsel for Defendant Michael Williams

/s/ Jordan D. Maglich
Attorney

EXHIBIT 3

CERTIFICATION

I, **MARK A. KORNFELD** (the "Applicant"), declare under penalty of perjury that the following is true and correct:

1. The Applicant is a partner in the law firm of Quarles & Brady LLP ("Quarles") and the Receiver in this action. This Certification is based on the Applicant's first-hand knowledge of and review of the books, records and documents prepared and maintained by Quarles in the ordinary course of its business. The Applicant knows that the facts contained in this motion regarding work performed by the Receiver and his staff and the facts contained in this Certification are true, and the Applicant is authorized by Quarles to make this Certification. Having reviewed the time records and data which support the motion, the Applicant further certifies that said motion is well grounded in fact and justified.

2. The billing records of Quarles which are attached to this Application are true and correct copies of the records maintained by Quarles. These records were made at or near the time the acts, events, conditions or opinions described in such records occurred or were made. The Applicant knows that the records were made by persons with knowledge of the transactions or occurrences described in such records or that the information contained in the records was transmitted by a person with knowledge of the transactions or occurrences described in the records. The records were kept in the ordinary course of the regularly conducted business activity of Quarles and it is the regular business practice of Quarles to prepare these records.

3. To the best of the Applicant's knowledge, information and belief formed after reasonable inquiry, this motion and all fees and expenses herein are true and accurate and comply with the Billing Instructions for Receivers in Civil Actions Commenced by the SEC.

4. All fees contained in this Application are based on the rates listed in the fee schedule attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed.

5. The Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission).

6. In seeking reimbursement for a service which Quarles justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for a service which the Applicant justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for the amount billed to the Applicant by the third-party vendor and paid by the Applicant to such vendor. If such services are performed by the Applicant, the Applicant will certify that he is not making a profit on such reimbursable service.

Executed this 31st day of July, 2020



MARK A. KORNFELD
Receiver

EXHIBIT 4

**Total Compensation And Expenses Requested;
Any Amounts Previously Requested;
And Total Compensation And Expenses Previously Awarded**

Name	Specialty	Hours	Fees	Expenses	Total	Fees Previously Awarded	Expenses Previously Awarded
Receiver and Quarles & Brady LLC	Attorneys	¹ 616.10	\$196,140.00	\$6,307.49	\$202,447.49	\$112,927.00	\$1,619.92
Peters, LaPlaca, and Fuste	Attorneys	1.20	\$360.00		\$ 360.00	\$6,840.00	\$59.50
Yip & Associates	Accountants	348.10	\$91,512.50	\$64.80	\$91,577.30	\$49,666.50	\$494.00
E-Hounds, Inc.	Information Technology and Forensic Technology	21.00	\$4,485.00	\$2,625.00	\$7,110.00	\$34,820.00	
International Intelligence Group LLC	Security	7.8	\$664.39	\$136.16	800.55	\$397.32	\$15.22
PDR CPAs + Advisors	Accountants	13.25	\$3,077.50	\$380.25	\$3,457.75	0	0
Total		1007.45	\$296,239.39	\$9,513.70	\$305,753.09	\$204,650.82	\$2,188.42

¹ In addition to the courtesy discount offered by the Receiver and Quarles & Brady LLP, a portion of the 660.30 total hours billed by the Receiver and Quarles & Brady, LLP has been written off. The Receiver and Quarles & Brady, LLP seek fees for 616.10 hours at their discounted rates.
QB\63834490.1

EXHIBIT 5a

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours Billed	Billable Amount
Mark A. Kornfeld	Securities Litigation	Partner	1993	\$ 625.00	\$ 437.50	187.00	\$ 81,812.50
Jordan Maglich	Litigation	Partner	2010	\$ 375.00	\$ 295.00	229.20	\$ 67,614.00
Luke Cass	Litigation	Partner	2004	\$ 545.00	\$ 380.00	11.90	\$ 4,522.00
Zachary S. Foster	Litigation	Associate	2014	\$ 350.00	\$ 265.00	46.30	\$ 12,269.50
Bradley W. Crocker	Litigation	Associate	2015	\$ 330.00	\$ 270.00	17.80	\$ 4,806.00
Jessica Vander Velde	Litigation	Associate	2017	\$ 300.00	\$ 230.00	32.30	\$ 7,429.00
Rebecca S. Wilt	Litigation	Paralegal		\$ 245.00	\$ 195.00	87.60	\$ 17,082.00
Nichole Perez	Litigation	Paralegal		\$ 245.00	\$ 195.00	1.50	\$ 292.50
Karen Wollitz	Litigation	Litigation Assistant			\$ 125.00	2.50	\$ 312.50
Total Fees							\$ 196,140.00
Plus Expenses							\$ 6,307.49
Total						616.10	\$ 202,447.49

EXHIBIT 5b

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Billable Amount
Hon. Jose A. Fuste	Litigation	Attorney	1968	\$ 400.00	\$ 350.00	0.00	\$ -
Damian R. LaPlaca	Litigation	Attorney	1986	\$ 400.00	\$ 300.00	1.20	\$ 360.00
Total						1.20	\$ 360.00

EXHIBIT 5c

Name	Title	Year Licensed/ Experience	Hours	Standard Rate	Billing Rate	Total Billed
Hal Levenberg	Director	10 years	110.80	\$ 395.00	\$ 295.00	\$ 32,686.00
Nicole Escudero Duenas	Associate	6 years	100.60	\$ 245.00	\$ 245.00	\$ 24,647.00
Santiago I. Carpio	Associate		34.50	\$ 195.00	\$ 195.00	\$ 6,727.50
Marcie D. Bour	Partner	30 years	102.20	\$ 395.00	\$ 340.00	\$ 34,748.00
Less Discount						\$ (7,296.00)
						\$ 91,512.50
Plus Expenses						\$ 64.80
Total			348.10			\$ 91,577.30

EXHIBIT 5d

Name	Title	Standard Rate	Reduced Rate	Total Hours	Billable Amount	Expenses	Total Due
Robert Rohr	Senior Analyst	\$195 - \$250	\$195 - \$250	12	\$ 2,670.00		
Ernesto Rojas	Evidence Technician	\$195	\$195	2	\$ 390.00		
Sean Organ	Evidence Technician	\$225	\$225	2	\$ 450.00		
David A. Bukas	VP of Operations	\$195	\$195	5	\$ 975.00		
						\$ 2,625.00	
Total				21	\$ 4,485.00	\$ 2,625.00	\$ 7,110.00

EXHIBIT 5e

PDR CPAs

Name	Title	Year Licensed/ Experience	Hours	Standard Rate	Billing Rate	Total Billed
William E. Price	CPA	45+	4.5	\$ 320.00	\$ 320.00	\$ 1,440.00
Gail Heinold	Accounting Manager	20+	7	\$ 210.00	\$ 155.00	\$ 1,085.00
Sharon O'Brien	Staff Accountant	10+	1.75	\$ 150.00	\$ 130.00	\$ 552.50
						\$ 3,077.50
Expenses						\$ 380.25
			13.25			\$ 3,457.75

EXHIBIT 5f

Name	Title	Standard Rate	Reduced Rate	Total Hours	Billable Amount	Expenses	Total Due
Hector Gonzalez	Principal	\$ 125.00	\$ 85.00	7.8	\$ 664.39	\$ 136.16	\$ 800.55

EXHIBIT 6a



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Madison and Milwaukee, Wisconsin
Minneapolis, Minnesota
Naples and Tampa, Florida
Phoenix and Tucson, Arizona
Washington, DC
Tax ID No. 39-0432630
Privileged & Confidential

Invoice Number : 6269306
Invoice Date: July 27, 2020

INVOICE SUMMARY

Kinetic - Mark Kornfeld as SEC Federal Equity Receiver
c/o Quarles & Brady
101 East Kennedy Blvd, Suite 3400
Tampa, FL 33602

For Professional Services Rendered Through June 30, 2020
RE: SEC Enforcement Action
Q&B Matter Number: 172974.00001

Fees:	\$	196,140.00
Disbursements:	\$	6,307.49
Total Amount Due:	\$	<u>202,447.49</u>

INVOICE IS PAYABLE UPON RECEIPT

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
 Q & B Matter Number: 172974.00001

July 27, 2020
 Invoice Number: 6269306
 Page: 2

SECL1

Date	Description	Professional	Hours	Task	Amount
04/02/20	Confer with C. Velez regarding appraisal of 152 Tetuán Street property (.20). Confer with D. LaPlaca and J. Maglich regarding appraisal fee estimates (.30). Confer with five appraisers requesting fee estimates (.30).	L. Cass	0.80	SECL1	\$304.00
04/02/20	Calls throughout day with J. Maglich regarding portfolio, performance questions, NAV, distributions, margin, transfers, letter to Mr. Williams Counsel Regarding managed accounts, margin, subaccounts (2.0); review, analyze documents, transfers by Mr. Williams to law firm, to loan repayments, BMO, records collection, receivership bank accounts, strategy (1.0).	M. Kornfeld	3.00	SECL1	\$1312.50
04/03/20	Confer with C. Velez, C. Vallego, H. Ramirez, and D. Martorani regarding appraisal quote and fee issues.	L. Cass	0.20	SECL1	\$76.00
04/03/20	Review El Morro financial statements and analysis for possible claims, illegal transfers.	L. Cass	0.50	SECL1	\$190.00
04/03/20	Review, analyze Yip & Associates work product.	M. Kornfeld	1.00	SECL1	\$437.50
04/04/20	Confer with Puerto Rico appraisers I. Canino, B. Rivera, and D. Diego regarding appraisal of 150 Tetuan Street property.	L. Cass	0.50	SECL1	\$190.00
04/05/20	Review, analysis of email from M. Kornfeld regarding Noble Lion, El Morro transfers, Lendancy, Frye, notices and subpoenas (.20). Confer with J. Roman and B. Rivera regarding appraisal of 152 Tetuán Street property (.80).	L. Cass	1.00	SECL1	\$380.00
04/06/20	Draft email to M. Kornfeld regarding appraisal fee quotes for 152 Tetuán Street property.	L. Cass	0.30	SECL1	\$114.00

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
 Q & B Matter Number: 172974.00001

July 27, 2020
 Invoice Number: 6269306
 Page: 3

SECL1

Date	Description	Professional	Hours	Task	Amount
04/07/20	Confer with B. Rivera, J. Roman, J. Maglich, M. Kornfeld, and L. Borrero, regarding appraisal fees, inspection arrangements, and payment schedules, and confer with H. Gonzalez regarding appraisal inspections and interview of L. Borrero (.30).	L. Cass	0.30	SECL1	\$114.00
04/08/20	Review, analyze report from J. Maglich to H. Levenberg regarding money transfers (.20). Review SolCoop wire transfers and KI Financial presentation (.10).	L. Cass	0.30	SECL1	\$114.00
04/08/20	Review correspondence and six supporting spreadsheets on financial analysis and transfers between Kinetic entities (.40). Review follow up emails from J. Maglich regarding American Express transfers and loans to Lendancy and LF42 LLC (.20) (NO CHARGE). Review email summary of interview of K. Pufahl (.10) (NO CHARGE). Review reply from J. Picone (.10) (NO CHARGE). Confer with M. Kornfeld and J. Maglich regarding trading expert (.10) (NO CHARGE). Confer with J. Maglich regarding LF42 LLC (.10) (NO CHARGE).	L. Cass	0.40	SECL1	\$152.00
04/09/20	Review emails and attachments from H. Levenberg regarding missing statements from Kinetic entities [NO CHARGE].	L. Cass	0.30	SECL1	\$0.00
04/09/20	Review summary of J. O'Neill interview (.30) (NO CHARGE). Review emails from H. Levenberg regarding forensic account analysis for possible actions involving Puerto Rico based assets, expenditures (.30) (NO CHARGE).	L. Cass	0.60	SECL1	\$0.00
04/09/20	Analyze Middle District of Florida case law regarding motions for turnover (.2); Analyze lending agreements and investment agreements reflecting improper transfer of investor funds to Williams for purchase of penthouse property (1.0); draft motion for turnover of Williams' penthouse property (.3).	B. Crocker	1.50	SECL1	\$405.00

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
 Q & B Matter Number: 172974.00001

July 27, 2020
 Invoice Number: 6269306
 Page: 4

SECL1

Date	Description	Professional	Hours	Task	Amount
04/10/20	Review emails regarding forensic accounting analysis, investor lists, and interviews for claims and transfers relating to assets located in Puerto Rico. (NO CHARGE).	L. Cass	0.50	SECL1	\$0.00
04/10/20	Review, analyze documents for relationship and money transfers between early Kinetic entities and funds as well as additional documents about Calibrated Capital, Aquila and Kinetic Securities Trading and confer with J. Maglich regarding same.	J. Vander Velde	2.70	SECL1	\$621.00
04/10/20	Review, analyze documents, spreadsheets, charts, memos from J. Vander Velde regarding commitment letters, Mr. Williams exploration of investments in Puerto Rico, Kinetics Funds transfers to KST, Calibrated Capital and associated tax documents (.50). Review, analyze, approve subpoenas for information to certain non-parties (.10). Emails, review, comments to correspondence to J. Maglich regarding Kelli P, documents relating to same (.40). Emails, direct J. Maglich regarding issues to discuss with tax consultant for 2019 filings, prior filings, and consequences of liquidation of portfolio on 2020 taxes (.50). Emails, direct R. Wilt, J. Maglich regarding investor inquiries, website, SEC and Mr. Williams. (.50). Review, revise, comments to draft report to be submitted to the court (1.0). Emails with, review documents from Z. Foster, J. Maglich relating to I. Quetglas, E. Quetglas, subpoenas follow up relating to same (.50).	M. Kornfeld	3.50	SECL1	\$1531.25
04/13/20	Review appraisal quotation and confer with B. Rivera and J. Maglich regarding the same (.20). Review emails from H. Levenberg and J. Maglich concerning forensic analysis regarding CFSE loan (.50) (NO CHARGE). Review email from J. Torrens regarding Consultiva subpoena (.10).	L. Cass	0.30	SECL1	\$114.00

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Date	Description	Professional	Hours	Task	Amount
04/13/20	Emails, review memos relating to investor losses, margin borrowing, misrepresentations about use of funds, motion practice relating to fraudulent transfers and wrongfully converted investor assets (1.50). Review, analyze, emails from, to Yip regarding fund assets, performance, transfers, interesting documents regarding tax filings, interrelated entities and Intracompany transfers (1.50).	M. Kornfeld	3.00	SECL1	\$1312.50
04/13/20	Confer with Luke Cass regarding quotes received for appraisals on Puerto Rico bank building and next steps.	J. Maglich	0.20	SECL1	\$59.00
04/14/20	Confer with J. Roman regarding property appraisal, access to the property, report, and payment.	L. Cass	0.20	SECL1	\$76.00
04/14/20	Review and analyze Securities & Exchange Commission production concerning potential asset recovery (2.0); strategize regarding transcripts of Kinetic employees and review of same (0.5).	J. Vander Velde	2.50	SECL1	\$575.00
04/15/20	Confer with J. Roman regarding property appraisal (NO CHARGE).	L. Cass	0.20	SECL1	\$0.00
04/15/20	Review, analyze documents produced by M. Williams produced to Securities and Exchange Commission (1.2); confer with owner of apartment being rented by Kinetic regarding claims process and order appointing Receiver (0.4); confer regarding obtaining transcripts of former Kinetic employee's testimony before the Securities and Exchange Commission (0.1).	J. Vander Velde	1.70	SECL1	\$391.00
04/15/20	Review, analyze communications with Yip regarding disclosures, Bloomberg reporting of fund performance, payments to El Morro, KIG (.50). Review, analyze documents, "double counting," disclosures, worksheets, accounting, money transfers (1.0). Review, analyze memos, documents relating to Lendacy (.70).	M. Kornfeld	2.20	SECL1	\$962.50

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Date	Description	Professional	Hours	Task	Amount
04/16/20	Review documents M. Williams produced to Securities and Exchange Commission and tagging, adding these documents (.5); review documents produced for master list of Kinetic Funds Summit expenses (0.5); review transcripts of former Kinetic employees provided by Securities and Exchange Commission, specifically looking for details about early Kinetic entities and funds (0.8); confer regarding notable findings in K. Locke's testimony as relates to her departure from Kinetic and the misuse of Kinetic funds to purchase Williams' penthouse in Puerto Rico (0.2); continue reviewing documents regarding early Kinetic entities and funds and update memorandum regarding same (1.0).	J. Vander Velde	3.00	SECL1	\$690.00
04/17/20	Finalize memorandum regarding early Kinetic entities and funds and confer regarding same (.8); continue reviewing documents Williams produced to Securities and Exchange Commission (.5); confer with Sarasota apartment owner regarding lease to Kinetic intern (0.2).	J. Vander Velde	1.50	SECL1	\$345.00
04/20/20	Confer with H. Levenberg and C. Bour regarding summary of preliminary findings on financial analysis.	L. Cass	0.50	SECL1	\$190.00
04/20/20	Prepare for call with strategic team and Receiver (.2); Strategy call with legal team and Receiver to discuss current status of investigation into assets and next steps (1.4) (NO CHARGE).	B. Crocker	0.20	SECL1	\$54.00
04/20/20	Strategy meeting to move asset recovery forward (1.4) (NO CHARGE); draft memorandum regarding origin and succession of early and current Kinetic entities (.8); confer with J. Maglich regarding deposition summaries (.1); review and analyze documents produced by Kinetic to the Securities and Exchange Commission and tag notable documents (1.4).	J. Vander Velde	2.30	SECL1	\$529.00
04/21/20	Confer with D. LaPlaca and J. Fuste regarding procedural requirements following turnover and sale of Tetuan Street property.	L. Cass	0.30	SECL1	\$114.00

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Date	Description	Professional	Hours	Task	Amount
04/21/20	Review email from J. Davila regarding Consultiva subpoena, confer with J. Maglich and M. Kornfeld regarding the same, and draft response to J. Davila (.20). Confer with J. Roman regarding property appraisal (.10).	L. Cass	0.30	SECL1	\$114.00
04/21/20	Emails, advise J. Maglich, L. Cass regarding Sarasota building, Puerto Rico bank building appraisals, sale (.30).	M. Kornfeld	0.30	SECL1	\$131.25
04/22/20	Emails, review spreadsheets, charts, analyses relating to transfers with Yip and J. Maglich (2.0).	M. Kornfeld	2.00	SECL1	\$875.00
04/23/20	Confer with H. Gonzalez and J. Maglich regarding computer collection for forensic analysis, witness interview, and appraisal (.30).	L. Cass	0.30	SECL1	\$114.00
04/23/20	Emails throughout day with J. Maglich regarding Sarasota office, storage, gold holdings and potential liquidation to cash of same (.40). Emails relating to retrieval of company property in Puerto Rico (.10).	M. Kornfeld	0.50	SECL1	\$218.75
04/24/20	Lengthy call with K. Gazitua, insurance producer with Jag Insurance, regarding insuring Banco Espanol property (.4); Conduct online research and analysis on Banco Espanol building to determine information regarding updates to property, including to plumbing, electrical wiring, and roofing pursuant to the request of insurance agent in order to insure property (.8).	B. Crocker	1.20	SECL1	\$324.00
04/28/20	Confer with H. Gonzalez and J. Maglich regarding computer collection and witness interviews (.20). Review draft of preliminary findings report by H. Levenberg (.5). Review draft of Receiver's First Interim Report (.60) (NO CHARGE).	L. Cass	0.70	SECL1	\$266.00
05/01/20	Prepare for interview of K. Locke.	Z. Foster	1.00	SECL1	\$265.00

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Date	Description	Professional	Hours	Task	Amount
05/01/20	Prepare notice of issuance of subpoenas to five additional non-party entities (.2); revise and finalize subpoenas directed to Banco Popular, Thomas Frey, ScotiaBank, and Frey Financial (.4).	R. Wilt	0.60	SECL1	\$117.00
05/04/20	Telephonic interview with Kelly Locke in aid of Receiver's investigation.	Z. Foster	2.00	SECL1	\$530.00
05/04/20	Communciate with Ms. Kristen Carrubi regarding documents to be produced by Banco Popular and requested fees (.4); revise notice of issuance of subpoena (.1); revise subpoenas directed to non-parties (.2).	R. Wilt	0.70	SECL1	\$136.50
05/05/20	Draft memorandum to file memorializing interview with K. Locke.	Z. Foster	1.00	SECL1	\$265.00
05/05/20	Communicate with Ms. Carrubi regarding documents produced by Banco Popular (.1); download and organize Banco Popular's production (.3); finalize subpoena to Vantage Retirement and notice of issuance of subpoena (.2); conduct updated search on former employee and potential witness I.Q. (.3); communicate with Attorneys Nestor, Moot, Kehoe and Malina regarding notice of issuance of subpoenas (.1); communicate with Brian Turner regarding serving subpoenas directed to 5 non-parties (.2).	R. Wilt	1.20	SECL1	\$234.00
05/05/20	Review and revise subpoenas to various third parties.	Z. Foster	0.20	SECL1	\$53.00
05/05/20	Confer with H. Gonzalez regarding computer analysis and hard drive destruction.	L. Cass	0.30	SECL1	\$114.00
05/06/20	Organize documents produced by investor (.5); communicate with Mr. Neelman Nandra regarding production (.3); communicate with Mr. Turner regarding service of subpoenas on Vantage Retirement Plus Trust and ScotiaBank (.2).	R. Wilt	1.00	SECL1	\$195.00

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Date	Description	Professional	Hours	Task	Amount
05/06/20	Emails, analyze, confer with J. Maglich regarding disgorgement, discussions with SEC, Mr. Williams' alleged misappropriation of assets relating to Kinetic Investment Group, El Morro, consulting agreements, salary, expenses, asset purchases, transfer of monies (1.50).	M. Kornfeld	1.50	SECL1	\$656.25
05/06/20	Revise motion for turnover of Puerto Rico apartment (2.0).	J. Maglich	2.00	SECL1	\$590.00
05/07/20	Download and organize documents produced by Oriental Bank on behalf of ScotiaBank (.4); analyze affidavit of service of subpoena on Vantage Retirement Plans Trust (.1); prepare secured electronic file for transmission of ScotiaBank records to Mr. Levenberg (.3) communicate with Mr. Levenberg regarding Quickbooks accounts and documents produced by ScotiaBank (.2); analyze and approve invoices for service of subpoenas in Arizona and Puerto Rico (.2) (NO CHARGE); analyze proof of service and Puerto Rico Declaration for service of subpoena in San Juan (.1); cursory review of documents produced by ADP to determine entities included in production (.3).	R. Wilt	1.40	SECL1	\$273.00
05/07/20	Confer with J. Roman regarding appraisal report.	L. Cass	0.10	SECL1	\$38.00
05/07/20	Emails, analysis, of issues, cases on disgorgement, misappropriated transfers and ill-gotten gains.	M. Kornfeld	1.00	SECL1	\$437.50
05/08/20	Access ADP website to obtain all available data on Kinetic Investment Group's payroll (.4); communicate with Ms. Brittany Swafford regarding documents to be produced by Vantage Retirement Plans and extension of time to produce requested documents. (.3); communicate with Ms. Cynthia Hunt regarding BB&T inability to locate subpoenaed documents and request for additional information to assist in search for records (.4); isolate March 2020 bank statements for Williams, Rex Tenax and Pyram King (.3).	R. Wilt	1.40	SECL1	\$273.00

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Date	Description	Professional	Hours	Task	Amount
05/08/20	Continue revising motion for turnover of Mr. Williams' Puerto Rico apartments (1.80).	J. Maglich	1.80	SECL1	\$531.00
05/08/20	Review, analyze various statements and other banking information, appraisal, sources of potential recovery (.10). Review, advise J. Maglich regarding issues relating to disgorgement, response to the SEC, meet and confer with Mr. Williams counsel (.50).	M. Kornfeld	0.60	SECL1	\$262.50
05/11/20	Communicate with Ms. Julie Aldort regarding access to LF42, LLC account at BMO Harris (.4); communicate with Anthony Bacopoulos regarding Kinetic Tech, LLC's purchase of domain name from GoDaddy (.2); conduct search for employer identification numbers for Kinetic's related companies (.5); communicate with Ms. Hunt providing additional data necessary to locate BB&T Bank accounts for Kinetic and related entities (.2).	R. Wilt	1.30	SECL1	\$253.50
05/11/20	Review appraisal report prepared by J. Roman (.20). Confer with H. Gonzalez and R. Vazquez regarding computer analysis (.30).	L. Cass	0.50	SECL1	\$190.00
05/11/20	Continue drafting motion for turnover of Puerto Rico apartment and research caselaw in support of same (3.50).	J. Maglich	3.50	SECL1	\$1032.50
05/12/20	Download, organize, code and review additional documents received from BMO Harris (.3); communicate with Ms. Aldort regarding additional account number to be searched (.3).	R. Wilt	0.60	SECL1	\$117.00
05/12/20	Download, code and organize documents produced by SRT Securities.	R. Wilt	0.30	SECL1	\$58.50
05/12/20	Review, revise, deliver comments to J. Maglich regarding motion for turnover of Puerto Rico apartment complex, supporting documents and declaration relating to same (1.0).	M. Kornfeld	1.00	SECL1	\$437.50

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Date	Description	Professional	Hours	Task	Amount
05/12/20	Confer with Hal Levenberg regarding tracing of funds to purchase Puerto Rico penthouse and KFYield investments during December 2016 – March 2017 timeframe (.5); Analyze status of gold holdings and strategize regarding timeline for efficient liquidation (.3); Confer with Mark Kornfeld and strategize regarding potential third party claims, liquidation of assets, and next steps (.5); Revise and finalize motion for turnover and declaration in support and exchange correspondence with Christine Nestor regarding meet and confer (3.3).	J. Maglich	4.60	SECL1	\$1357.00
05/13/20	Draft subpoena to correct Vantage Retirement entity (.2); draft notice of issuance of subpoena (.2); communicate with Attorney Kehoe regarding notice of issuance of subpoena (.1); communicate with Ms. Swafford regarding corrected subpoena (.1); review documents provided by Mr. Eddy Ball (.3).	R. Wilt	0.90	SECL1	\$175.50
05/13/20	Emails, direct J. Maglich and Z. Foster regarding sale of gold (.2).	M. Kornfeld	0.20	SECL1	\$87.50
05/14/20	Research, analyze, develop strategy for liquidating gold bullion.	Z. Foster	1.40	SECL1	\$371.00
05/14/20	Communicate with Mr. Turner regarding service subpoena on Ian Quetglas in Puerto Rico.	R. Wilt	0.20	SECL1	\$39.00
05/14/20	Research case law regarding property and disgorgement in support of motion for turnover.	B. Crocker	0.60	SECL1	\$162.00
05/14/20	Revise motion for turnover and declaration in support (.8); Confer and strategize regarding liquidation of gold holdings (.2).	J. Maglich	1.00	SECL1	\$295.00
05/15/20	Finalize motion for turnover and supporting declaration, identify and gather exhibits, and prepare for filing (2.7).	J. Maglich	2.70	SECL1	\$796.50
05/19/20	Emails, confer with J Maglich regarding liquidation plan, gold, strategy.	M. Kornfeld	0.50	SECL1	\$218.75

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Date	Description	Professional	Hours	Task	Amount
05/21/20	Confer regarding plan for potentially recovering assets from various third parties.	Z. Foster	0.70	SECL1	\$0.00
05/21/20	Draft memorandum to file regarding potential third-party litigation claims (1.0); Confer with Receiver and Z. Foster regarding strategy and viability of third-party claims (.7).	J. Maglich	1.70	SECL1	\$501.50
05/22/20	Emails, confer with J. Maglich regarding discussions with SEC about transferring, safeguarding of cash assets escrowed with Mr. Williams' counsel (.50).	M. Kornfeld	0.50	SECL1	\$218.75
05/22/20	Confer with Mark Kornfeld regarding recovery and sale of gold assets (.3); Correspondence with ServisFirst Bank regarding safe deposit availability for gold holdings (.2); Confer with Banco Popular regarding transfer and mailing of funds from Pyram King Account (.2);.	J. Maglich	0.70	SECL1	\$206.50
05/26/20	Review additional documents provided by investor (.2); download, code and organize documents provided by Mr. Levenberg (.4).	R. Wilt	0.60	SECL1	\$117.00
05/26/20	Emails with J. Maglich, R. Wilt, regarding discussions with BMO, USB drive, call with investor's counsel regarding separate accounts, margin, securing and strategy for liquidating gold (1.0).	M. Kornfeld	1.00	SECL1	\$437.50
05/27/20	Revise demand letter to Ryntal Property Management (.2); communicate with Ms. Swafford regarding documents to be produced by Vantage Retirement Plans (.2).	R. Wilt	0.40	SECL1	\$78.00
05/27/20	Review and inventory gold holdings and coordinate placement into vault (.6).	J. Maglich	0.60	SECL1	\$177.00
05/28/20	Communicate with Mr. Rob Rohr regarding data obtained from three computers located in San Juan (.2); communicate with Ms. Kenney regarding BMO's request to close Kinetic's accounts (.2); communicate with Ms. Aldort regarding access to LF42 bank account statements (.2).	R. Wilt	0.60	SECL1	\$117.00

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Date	Description	Professional	Hours	Task	Amount
05/29/20	Communicate with Mr. Turner regarding service of subpoena on Ian Quetglas (.2); communicate with Ms. Swafford regarding Vantage Retirement Plans production (.3); download and organize documents provided by Vantage (.5); review correspondence from Ms. Hunt and BB&T Bank regarding document production (.2); communicate with Ms. Hunt requesting additional information on retention policies and time frame parameters (.3); prepare report on status of various third-party subpoenas (.3).	R. Wilt	1.80	SECL1	\$351.00
05/30/20	Access ADP records to obtain copies of all 1099s (.4); conduct search for current residence of Ms. Ida Passalacqua (.2); draft subpoena directed to Ms. Passalacqua (.2).	R. Wilt	0.80	SECL1	\$156.00
06/02/20	Download, organize, code additional production from BMO Harris Bank (.6); communicate with Mr. Hal Levenberg regarding documents received from BMO Harris (.2).	R. Wilt	0.80	SECL1	\$156.00
06/03/20	Review Ian Quetglas's amended verified statement regarding Kinetic records for update to subpoena compliance, tracking.	R. Wilt	0.10	SECL1	\$19.50
06/04/20	Confer with Receiver regarding outstanding Lendacy loans and potential avenues for recovery of same.	Z. Foster	0.10	SECL1	\$26.50
06/04/20	Confer with Receiver regarding lack of cooperation from former employee and associated documentation.	Z. Foster	0.20	SECL1	\$53.00
06/04/20	Per Receiver, analyze data provided by former employee, Robert Bishop.	R. Wilt	0.30	SECL1	\$58.50
06/04/20	Analyze work product from forensic accountant as part of Receiver's effort to develop claims process.	Z. Foster	0.30	SECL1	\$79.50
06/04/20	Deliver to Receiver, J. Maglich additional analysis relating to Kinetic and Lendacy investment loans chart.	Z. Foster	0.70	SECL1	\$185.50

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Date	Description	Professional	Hours	Task	Amount
06/05/20	Review communication from Attorney Todd Merer regarding Jamene Pinnow's response to subpoena to update subpoena compliance tracking (.1); communicate with Mr. Merer regarding document production (.4).	R. Wilt	0.50	SECL1	\$97.50
06/05/20	Review and comments, edits on non-party subpoenas to potential discovery targets.	Z. Foster	0.50	SECL1	\$132.50
06/05/20	Emails, direction regarding obtaining multiple broker quotes for sale of gold (price and commission/fees to sell), bank in Puerto Rico (.20). Response to investor queries regarding redemptions (.10).	M. Kornfeld	0.30	SECL1	\$131.25
06/08/20	Conduct research and analysis on local gold traders (.3); draft notice of issuance of subpoenas to non-parties (.2); draft subpoenas directed to non-parties (.7).	R. Wilt	1.20	SECL1	\$234.00
06/08/20	Comments, analysis and input on claims administration options memorandum from J. Maglich.	Z. Foster	0.40	SECL1	\$106.00
06/09/20	Research best methods, vendors and professional credentials of local gold sellers (.5); communicate with Florida Coin & Jewelry, Tampa Bay Coin & Precious Metal and Legacy Coins (.7); review and organize documents provided by Hal Levenberg relating to analysis of investor accounts (.6); finalize notice of issuance of subpoenas (.1); communicate with Attorneys Schulz and Jacobson regarding notice of issuance of subpoenas to non-parties (.1); communicate with Mr. Turner regarding serving subpoenas on non-parties Ida Passalacqua and Interactive Brokers, LLC (.2).	R. Wilt	2.20	SECL1	\$429.00
06/09/20	Per the Receiver, review and analyze memorandum on origination of margin loan in Interactive Brokers for use in determining equitable claims process.	Z. Foster	0.90	SECL1	\$238.50
06/09/20	Per the Receiver, review and analyze memorandum outlining potential third-party litigation claims.	Z. Foster	0.40	SECL1	\$106.00

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Date	Description	Professional	Hours	Task	Amount
06/09/20	Emails, direct team regarding liquidation of tangible assets from Sarasota (.10). Emails, direct J. Maglich regarding transferred funds, from Williams former counsel (.10).	M. Kornfeld	0.20	SECL1	\$87.50
06/10/20	Communicate with Ricardo Torres regarding sale of bank building in Old San Juan (.8); review documents provided by Mr. Torres relating other properties potentially associated with defendant (.6); research property and owner identified by Mr. Torres as being owned by or related to defendant Williams (.4); communicate with Diana Caballero regarding marketing and selling bank building (.3); communicate with Attorney Jeff Rayball at Merrill Lynch regarding document production (.3); communicate with Mr. Turner regarding alternate address for service of subpoena on Ms. Passalacqua (.2).	R. Wilt	2.60	SECL1	\$507.00
06/10/20	Provide information and analysis regarding Kinetic's tracking spreadsheet, memorializing loan transactions (borrowings, interest, repayments, associated with Lendacy).	Z. Foster	0.40	SECL1	\$106.00
06/10/20	Per the Receiver, confer with R. Torres as part of investigation, his business dealings with M. Williams, possible purchase of additional real property in Puerto Rico.	L. Cass	0.30	SECL1	\$114.00
06/10/20	Review and research status of potential real estate property purchased by Mr. Williams, conduct interview of commercial real estate broker, and analyze strategy regarding same (2.5).	J. Maglich	2.50	SECL1	\$737.50
06/10/20	Emails, review, memo of call, confer with R. Wilt, L. Cass, J. Maglich regarding potential property purchased by Mr. Williams in Puerto Rico.	M. Kornfeld	1.00	SECL1	\$437.50

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06/11/20	Communicate with real estate brokers Ben Rivera, Natalia Lucian and Brian Aronson regarding marketing San Juan property (.9); communicate with Marc Bonnett, Andy Pappacoda and Michael Hauser regarding procedures and quotes for selling gold coins (.7).	R. Wilt	1.60	SECL1	\$312.00
06/11/20	Emails, provide direction to R. Wilt regarding sale process for gold.	M. Kornfeld	0.10	SECL1	\$43.75
06/12/20	Communicate with Mr. Aronson regarding sale of bank building in Old San Juan (.3); communicate with Attorney Merer regarding documents to be produced by Ms. Pinnow (.3); draft subpoena directed to Merrill Lynch (.2); communicate with Attorney Jon Jacobson regarding transfer of Greenberg Traurig's escrowed funds to ServisFirst Bank (.2).	R. Wilt	1.00	SECL1	\$195.00
06/13/20	Communicate with Mr. Aronson regarding status of proposal to sell Banco Espanol building (.2); communicate with Ms Luciano regarding requirements to provide proposal to sell Banco Espanol building (.3); communicate with Mr. Rivera regarding submitting proposal for sale of bank building (.3).	R. Wilt	0.80	SECL1	\$156.00
06/15/20	Communicate with Mr. Aronson regarding terms of commission agreement (.2); Communicate with Mr. Torres regarding potential offer for bank building (.2); review Mr. Rivera's proposal for listing bank building and potential offers (.2); photograph gold coins to be included with request for bid (.8); communicate with Todd Merer regarding documents to be produced by Pinnow (.3); communicate with Mr. Turner regarding attempts to serve subpoena on Ms. Ida Passalacqua (.2); conduct additional research for current address for Ms. Passalacqua (.2).	R. Wilt	2.10	SECL1	\$409.50
06/15/20	Review, analyze quotes, proposals, regarding sale of bank in Old San Juan, advice, counsel regarding efforts to price and sell gold, assets held in storage (.5).	M. Kornfeld	0.50	SECL1	\$218.75

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Date	Description	Professional	Hours	Task	Amount
06/16/20	Revise subpoena for records directed to Merrill Lynch (.2); communicate with Mr. Turner regarding additional potentials addresses for service of Passalacqua subpoena (.2); draft subpoenas for records directed to third parties involved in real estate transactions (1.2); conduct search for court reporters in Newark, Delaware, Las Vegas, Nevada and Oakland, California for use in subpoena production (.3); correspond with Andy Pappacoda regarding sale of gold coins (.2); communicate with Mr. Bonnett regarding bid for purchase of coins (.2); prepare photographic inventory of gold coins for potential buyers (.6).	R. Wilt	2.90	SECL1	\$565.50
06/16/20	Confer and direct strategy regarding liquidation of gold coins and office furniture (.3).	J. Maglich	0.30	SECL1	\$88.50
06/16/20	Emails, confer throughout day with J. Maglich, R. Wilt, K. Wollitz regarding processes, timing, for the sale of over six figures in gold coins secured and tangible assets and property secured by Receiver, and sale of Old San Juan bank (.50).	M. Kornfeld	0.50	SECL1	\$218.75
06/17/20	Communicate with Mr. Pappacoda regarding inspection of gold coins for sale.	R. Wilt	0.20	SECL1	\$39.00
06/17/20	Per Receiver, review and analyze sum of uses and deposits for LF42.	Z. Foster	0.10	SECL1	\$26.50
06/17/20	Emails, confer with, direct J. Maglich, R. Wilt throughout day regarding sale of gold.	M. Kornfeld	0.20	SECL1	\$87.50

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06/18/20	Communicate with Ms. Ivonne Delgado regarding sale of bank building (.2); communicate with Ms. Maria Cristy regarding sale of bank building, inspection and written proposal for same (.6); prepare secured electronic file of pertinent documents relating to current value and condition of bank building (.4); communicate with Ms. Luciano regarding sale of building, inspection and written proposal (.8); communicate with Mr. Torres regarding proposal for marketing and sale of bank building (.4).	R. Wilt	2.30	SECL1	\$448.50
06/18/20	Emails, direct R. Wilt, J. Maglich regarding Puerto Rico bank building, sale of same.	M. Kornfeld	0.20	SECL1	\$87.50
06/19/20	Draft Notice of Issuance of Non-Party Subpoenas (.6); prepare summary of communications with various real estate agents and brokers regarding sale of commercial building in San Juan (.4).	R. Wilt	1.00	SECL1	\$195.00
06/19/20	Emails, communications regarding assets in storage. Emails regarding methods, appraisers, timing for sale of gold.	M. Kornfeld	0.50	SECL1	\$218.75
06/19/20	Emails, communications, questions, analysis, with R. Wilt, J. Maglich regarding sale of the bank building, required motions, minimizing costs, overall timing and process (1.0).	M. Kornfeld	1.00	SECL1	\$437.50
06/22/20	Communicate with Attorney Merer regarding providing Hector Gonzalez's information (.3); communicate with Hector Gonzalez regarding Pinnow's document production (.3); communicate with Mr. Pappacoda regarding inspection of gold coins (.1).	R. Wilt	0.70	SECL1	\$136.50

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Date	Description	Professional	Hours	Task	Amount
06/23/20	Attend meeting with Andy Pappacoda for inspection of gold coins (1.3); draft bid parameters for sale of gold coins (.3); communicate with representatives of five locate gold dealers providing parameters and request bid proposals (.8); communicate with Shane Socash regarding parameters for submitting bid for coins (.4); analyze Mr. Socash's offer to purchase on terms other than requested bid specifications(.4); analyze bid proposals for Florida Coin and Tampa Bay Coin (.3).	R. Wilt	3.50	SECL1	\$682.50
06/23/20	Emails throughout day with R. Wilt, K. Wollitz regarding gold, furniture, quotes, sale of items.	M. Kornfeld	0.50	SECL1	\$218.75
06/24/20	Review requests for in person inspection of commercial property in San Juan (.3); communicate with Mr. Gonzalez regarding facilitating document production from Pinnow and inspection of commercial building in San Juan (.4); communicate with Mr. Torres regarding inspection of the property (.2).	R. Wilt	0.90	SECL1	\$175.50
06/24/20	Communicate with Mr. George at A Village Stamp & Coin regarding bid for purchase of coins and his offer to purchase the coins (.3); communicate with Zachary Yates at Yates and Sons regarding bid parameters for purchase of gold coins (.3); analyze Mr. Yates bid (.2); communicate with Gail at Legacy Coins & Curiosities regarding purchase of gold coins and his recommendation of other more suitable gold dealers (.3); communicate with Mr. Bonnett regarding Tampa Bay Coin's bid to purchase coins (.1); conduct search for additional gold dealers in the Tampa Bay Area to participate in bid process (.3); communicate with American Rare Coins to solicit bid for coins (.2); communicate with Mr. Harvey Ehrlich regarding parameters for bid process (.4); communicate with Mr. Toni at Saint Petersburg Gold Buyers regarding bid parameters (.3).	R. Wilt	2.50	SECL1	\$487.50

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Date	Description	Professional	Hours	Task	Amount
06/24/20	Emails with K. Wollitz, R. Wilt, throughout day regarding receivership invoices, sale of gold, spot prices, bids, investor communications, incurred expenses for submission. Discussions with brokers, regarding Old San Juan property (1.0).	M. Kornfeld	1.00	SECL1	\$437.50
06/24/20	Continue drafting motion to authorize repayment of margin obligations and release of certain investor accounts and confer with Receiver regarding same (3.5).	J. Maglich	3.50	SECL1	\$1032.50
06/25/20	Communicate with Mr. Erick Woodard regarding request for bid and analysis of bid for sale of coins (.4); communicate with Ms. Betz at Kitco regarding sale of coins (.3); communicate with Mr. Ehrlich regarding lack of interest in purchasing coins unless at an extreme discount (.2); communicate with Mr. Pappacoda regarding final bid for coins and meet to confirm inventory and exchange for payment of quoted bid price (.5); communicate with Mr. Bill Price providing details on sale of gold for receivership's accounting records (.2); communicate with Mr. Gonzalez regarding documents being produced by Ms. Pinnow (.1).	R. Wilt	1.70	SECL1	\$331.50
06/25/20	Provide analysis to receiver of William's counsels' proposal for turnover of the Puerto Rico condos.	Z. Foster	0.20	SECL1	\$53.00
06/25/20	Review submission of bids for gold coins and work with Receiver to finalize sale (.8); telephone call and correspondence with Mr. Williams' counsel regarding motion for turnover of apartment (.7); telephone call with Commission regarding status of outreach efforts to I.Q. (.3).	J. Maglich	1.80	SECL1	\$531.00

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Date	Description	Professional	Hours	Task	Amount
06/26/20	Revise subpoenas directed to Merrill Lynch and BB&T (.3); revise notice of issuance of subpoenas (.2); communicate with Attorneys Schulz and Jacobson regarding notice (.1); communicate with Mr. Turner regarding serving subpoenas directed to Merrill Lynch and BB&T Bank (.2); communicate with Mr. Martin Ward regarding account statements to be produced by Interactive Brokers (.1); communicate with potential public sale company providing information for sale of bank building (.2); communicate with Mr. Turner regarding locating and serving Ms. Passalacqua (.2); communicate with Mr. Gonzalez regarding locating Ida Passalacqua (.3).	R. Wilt	1.60	SECL1	\$312.00
06/26/20	Emails throughout day regarding closing on gold sale (.10).	M. Kornfeld	0.10	SECL1	\$43.75
06/26/20	Continue drafting Motion to authorize repayment of margin obligations and review Kinetic Funds account records regarding margin history and BOA/ML account performance (2.4); confer with Mark Kornfeld regarding Mr. Williams' proposal to resolve motion for turnover of apartment (.3).	J. Maglich	2.70	SECL1	\$796.50
06/29/20	Download and organize documents for review produced by Jamene Pinnow.	R. Wilt	0.30	SECL1	\$58.50
06/30/20	Confer regarding strategy for various asset recovery efforts.	Z. Foster	0.50	SECL1	\$132.50
06/30/20	Download and organize documents produced by Interactive Brokers (.4); communicate with Ricardo Torres regarding offer to purchase bank building and renewed request for written proposal (.2); communicate with Ms. Christy regarding her proposal to sell the bank building (.1); communicate with Brian Aronson regarding written proposal (.1); communicate with Benjamin Rivera again requesting written proposal (.1).	R. Wilt	0.90	SECL1	\$175.50

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Date	Description	Professional	Hours	Task	Amount
06/30/20	Review and analyze documents, communications, and other data relating to VTrader to determine how its operations impacted Kinetic Funds.	Z. Foster	3.20	SECL1	\$848.00
06/30/20	Prepare analysis of origin, use, and potential losses relating to Kinetic's involvement with VTrader.	Z. Foster	0.90	SECL1	\$238.50
06/30/20	Telephone and email correspondence with Williams' counsel and Mark Kornfeld regarding negotiations on Motion for Turnover and draft proposed language regarding same (.4).	J. Maglich	0.40	SECL1	\$118.00

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SECL1 FEE SUMMARY:

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Mid-level Associate	Zachary S. Foster	15.10	\$252.72	\$3,816.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Junior Associate	Jessica K. Vander Velde	13.70	\$230.00	\$3,151.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Mark A. Kornfeld	27.90	\$437.50	\$12,206.25

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Jordan D. Maglich	30.00	\$295.00	\$8,850.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Rebecca S. Wilt	45.50	\$195.00	\$8,872.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Mid-level Associate	Bradley W. Crocker	3.50	\$270.00	\$945.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Luke V. Cass	9.70	\$317.32	\$3,078.00

TOTAL		145.40		\$40,918.75
SECL3				

Date	Description	Professional	Hours	Task	Amount
04/03/20	Prepare analysis of Receivership entity LF42 operations and asset transfers based on initial document review for use in asset recovery efforts.	Z. Foster	2.00	SECL3	\$530.00

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Date	Description	Professional	Hours	Task	Amount
04/03/20	Review spreadsheets regarding Kinetic distribution payments, KLC fee calculations and expenses, KLC transfers, loans, and wires, loan repayment breakdown, and BMO transactions to assist with Interim Report, motion for turnover against Mr. Williams.	L. Cass	1.00	SECL3	\$380.00
04/09/20	Review documents regarding Kinetic early entities, operations and funds and finalize memorandum regarding same (1.8); strategize regarding review of SEC documents received from Mr. Williams (0.2) (NO CHARGE); analyze potential additional parties to receive a copy of the receivership order (0.2).	J. Vander Velde	2.00	SECL3	\$460.00
05/01/20	Review, tend to month end bank statements.	M. Kornfeld	0.10	SECL3	\$43.75
05/05/20	Emails, direct J. Maglich regarding third party service provider requests for payment.	M. Kornfeld	0.10	SECL3	\$43.75
05/06/20	Communicate with Ms. Sharon O'Brien regarding accounting for monthly receivership accounts activity.	R. Wilt	0.20	SECL3	\$39.00
05/06/20	Review memorandum and documents provided by investor J.F.	J. Maglich	0.90	SECL3	\$265.50
05/07/20	Communicate with Intuit representative, Gerald Balogbog regarding Quickbooks subscriptions for El Morro, Kinetic Investment Group and Kinetic Funds I (.7); access ADP website to conduct search and pull historical records requested by former employee (.2); communicate with Mr. Gaur regarding payroll records (.1).	R. Wilt	1.00	SECL3	\$195.00
05/07/20	Exchange correspondence with Anadi Gaur regarding payroll documents (.2); Confer with Rebecca Wilt and Hal Levenberg regarding Quickbooks account (.2).	J. Maglich	0.40	SECL3	\$118.00

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Date	Description	Professional	Hours	Task	Amount
05/12/20	Confer with J. Maglich regarding potential sale of gold, emails with Z. Foster regarding same (.10); discussion regarding sale of bank in Puerto Rico, next steps post appraisals, valuations (.20). Call, emails with J. Maglich regarding 2019 taxes, preparation, guidance, reserves relating to same (.20).	M. Kornfeld	0.50	SECL3	\$218.75
05/20/20	Review analyze, outline issues for call, have call with tax consultant regarding preexisting and going forward tax obligations for receivership entities (1.0). Emails regarding transfers of monies from receivership entities and bank accounts to Williams per Court order, securing of gold (.50).	M. Kornfeld	1.50	SECL3	\$656.25
05/21/20	Emails from L. Cass; discuss with J. Maglich liquidation of gold, appraisals, sale of bank building in San Juan.	M. Kornfeld	0.20	SECL3	\$87.50
05/26/20	Communicate with Deanna Kinney regarding status of BMO Harris bank accounts and closing of liquidated accounts.	R. Wilt	0.30	SECL3	\$58.50
05/26/20	Emails, respond, direct J. Maglich regarding third-party creditor requests (.20).	M. Kornfeld	0.20	SECL3	\$87.50
06/02/20	Emails, advise R. Wilt and J. Maglich regarding H. Gonzalez forms relating to employment issues (.10). Tend to issues relating to transfer of Greenberg Traurig's escrowed funds and requests for living expenses for Mr Williams (.30). Tend to consignment and liquidation of tangible, miscellaneous assets and direct K. Wollitz regarding same (.30).	M. Kornfeld	0.70	SECL3	\$306.25
06/03/20	Emails, confer with J. Maglich regarding ongoing discussions with Mr. Williams' counsel on bank accounts, modification to freeze orders, transfer of funds (.50).	M. Kornfeld	0.50	SECL3	\$218.75
06/10/20	Emails, review, direct J. Maglich regarding dissemination of Greenberg Traurig funds per the Court's Order modifying the asset freeze.	M. Kornfeld	0.20	SECL3	\$87.50

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SECL3

Date	Description	Professional	Hours	Task	Amount
06/12/20	Tend to ServisTrust banking account opening and transfer issues.	M. Kornfeld	0.50	SECL3	\$218.75
06/16/20	Confer with J. Maglich regarding tax opinions, requirements, obligations, advice, requisite forms.	M. Kornfeld	0.10	SECL3	\$43.75
06/18/20	Emails, review tax advice, questions relating to same for receivership entities (.20). Emails, confer, review, with J. Maglich regarding margin analysis, repayment interactive, J.F./TF investments, trusts (1.0).	M. Kornfeld	1.20	SECL3	\$525.00
06/23/20	Tend to response to outstanding invoices and costs/bills; response to investor inquiries, tax issues, filings, forms.	M. Kornfeld	0.50	SECL3	\$218.75
06/25/20	Communicate with form employee regarding 401k distribution (.2); complete required form as employer (.3).	R. Wilt	0.50	SECL3	\$97.50
06/25/20	Emails, direct R. Wilt throughout day regarding sale of gold, conversion to cash. (.20). Emails, advise, with R. Wilt regarding former employee redemption request as to 401k (.10). Emails, confer with J. Maglich regarding payment of margin, transfer of cash, managed accounts, issues relating to same. (.50).	M. Kornfeld	0.80	SECL3	\$350.00
06/29/20	Isolate defendant Williams personal tax returns for receivership accounting.	R. Wilt	0.40	SECL3	\$78.00

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TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Mid-level Associate	Zachary S. Foster	2.00	\$265.00	\$530.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Junior Associate	Jessica K. Vander Velde	2.00	\$230.00	\$460.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Mark A. Kornfeld	7.10	\$437.50	\$3,106.25

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Jordan D. Maglich	1.30	\$295.00	\$383.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Rebecca S. Wilt	2.40	\$195.00	\$468.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Luke V. Cass	1.00	\$380.00	\$380.00

TOTAL		15.80		\$5,327.75
SECL4				

Date	Description	Professional	Hours	Task	Amount
04/01/20	Document review and analysis regarding Interactive Brokers freeze and Kinetic consequences and investors (3.1); research standard of review for turnover motion (.70) [NO CHARGE].	J. Vander Velde	3.10	SECL4	\$713.00

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Date	Description	Professional	Hours	Task	Amount
04/01/20	Emails, calls throughout day with J. Maglich, R. Wilt regarding web site information, forensics analysis, strategy, document review and analysis, issues for discussion with Mr. Williams' counsel, discuss interim report (2.0); review, respond, direct J. Maglich regarding same (.50).	M. Kornfeld	2.50	SECL4	\$1093.75
04/01/20	Exchange correspondence with Ron During and Receiver regarding website development and content (.5); Exchange correspondence with American Express regarding document production (.3); Exchange correspondence with Hal Levenberg and Mark Kornfeld regarding obtaining documents from BMO Harris (.2); Draft correspondence to Keli Pufahl regarding scheduling call (.1); Review BMO Harris statements and draft letter to Michael Williams with areas of inquiry (1.4);.	J. Maglich	2.50	SECL4	\$737.50
04/01/20	Confer with Hal Levenberg regarding analysis needed on Lendacy accounts to aid in asset collection.	Z. Foster	0.10	SECL4	\$26.50
04/01/20	Review various correspondence from Receiver and co-counsel to stay apprised of strategy and developments [NO CHARGE].	Z. Foster	0.20	SECL4	\$0.00
04/01/20	Review correspondence from H. Levenberg regarding financial analysis and movement of funds [NO CHARGE].	L. Cass	0.30	SECL4	\$0.00
04/01/20	Confer with C. Velez regarding appraisal.	L. Cass	0.20	SECL4	\$76.00
04/01/20	Per M. Kornfeld and J. Maglich, prepare report and analysis of Lendacy history, strategy, and operations for use in asset recovery efforts.	Z. Foster	2.90	SECL4	\$768.50

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Date	Description	Professional	Hours	Task	Amount
04/01/20	Communicate with Mr. Miller regarding status of banking for receivership (.5); review directives regarding website for receivership (.2); communicate with Merrill Lynch regarding accounts for receivership entities (.3); communicate with BMO Harris Bank's representative regarding obtaining copies of cancelled checks and wire transfers (.3); assemble and organize documents to be published on receivership website (.5).	R. Wilt	1.80	SECL4	\$351.00
04/02/20	Assemble pertinent Court filings for inclusion on receivership website (.7) (NO CHARGE); access mailchimp website to set up account for receivership (.2); communicate with Ron During regarding materials for website (.3).	R. Wilt	0.50	SECL4	\$97.50
04/02/20	Review correspondence from M. Barrett and BB&T regarding receivership order (.10) (NO CHARGE). Review letter from J. Maglich to J. Picone regarding document requests and responses (.10) [NO CHARGE].	L. Cass	0.20	SECL4	\$0.00
04/02/20	Review and analyze documents regarding Interactive Brokers and interactions with former Kinetic employee Dee Bussalleu.	J. Vander Velde	1.90	SECL4	\$437.00
04/02/20	Exchange correspondence with L. Cass regarding appraisal options for Old San Juan bank (.2); Exchange correspondence with Hal Levenberg regarding status of obtaining documents from BMO Harris (.2); Finalize letter to Michael Williams regarding areas of inquiry (.3); Review documents in E-Hounds document repository relating to El Morro Financial (1.5); Telephone call with M. Kornfeld regarding KF Yield reported and actual performance (.5);.	J. Maglich	2.70	SECL4	\$796.50
04/02/20	Per Receiver and J. Maglich review and annotate hundreds of documents relating to I.P. role with the Kinetic entities, and payments made to her by the Kinetic entities (1.8); Review and annotate hundreds of documents relating to J.P. and her relationship to the Kinetic entities and transfers made to her (1.0).	B. Crocker	2.80	SECL4	\$756.00

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Date	Description	Professional	Hours	Task	Amount
04/03/20	Finalize and revise initial Lendacy memorandum addressing company history, outstanding loans, and collection strategy for use in asset recovery proceedings.	Z. Foster	1.20	SECL4	\$318.00
04/03/20	Per J. Maglich review documents, and analyze role and departure of G.R. (former trader of Kinetic) and Kinetic entity predecessors (4.4); Draft memorandum regarding documents reviewed about former trader role, departure from company, transition to new "head trader." (3.0).	J. Vander Velde	7.40	SECL4	\$1702.00
04/03/20	Review Kinetic documents regarding establishment and operations of El Morro Financial and draft memorandum to file regarding same (3.4); Exchange correspondence with M. Kornfeld and Hal Levenberg regarding relevant documents identified in document review (.3); Identify additional third parties for service of Order appointing receiver and draft correspondence to those individuals regarding Order appointing receiver (.3); Exchange correspondence with Kelli Pufahl regarding status (.3); Review memoranda prepared by legal team regarding current relevant topics (1.0); Exchange correspondence with Phil Handin regarding status (.2); Revise and finalize subpoenas for issuance (.5); Draft correspondence to counsel for J. Pinnow regarding subpoena (.2).	J. Maglich	6.20	SECL4	\$1829.00
04/03/20	Review and analyze documents relating to key issues identified by Receiver and J. Maglich (NO CHARGE).	B. Crocker	6.40	SECL4	\$0.00
04/03/20	Conduct search for contact and service address for ScotiaBank in Puerto Rico (.4); Download and organize schedules provided by Mr. Levenberg (.4); Update third party contact list to include additional individuals and entities identified by document reviewers and notices and/or subpoenas to be issued to each (NO CHARGE); Revise Team Task List to include current status of various assignments of each team member (.3) (NO CHARGE).	R. Wilt	0.80	SECL4	\$156.00

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Date	Description	Professional	Hours	Task	Amount
04/03/20	Confer w J. Maglich regarding Yip work product. Emails, confer with J. Maglich regarding portfolio disclosures, discrepancies, El Morro wire transfers, eHounds, document review, ServisFirst, third party subpoenas, notices of Order to former El Morro personnel (1.0), review, revise, analyze, comments on memos from J. Vander Velde, Z. Foster, J. Maglich on Rosenberger, Kinetics early years, Lendacy loans, El Morro, Frey Financial and ownership structure of Kinetics entities, emails regarding Kelli P, analyze documents spreadsheets relating to Lendacy loans, month over month (2.0).	M. Kornfeld	3.00	SECL4	\$1312.50
04/04/20	Download and organize documents provided by Hal Levenberg (Yip).	R. Wilt	0.50	SECL4	\$97.50
04/04/20	Review, analyze comments, emails, phone call with J. Maglich, K. Wollitz regarding El Morro, Kelli P, wire requests, Lendacy memo, LF42 memo, Yip & Associates, BBT, Scotiabank, BMO, ServisFirst, investor communications, F.T. documents.	M. Kornfeld	4.00	SECL4	\$1750.00
04/05/20	Lengthy email memo to counsel, emails with J. Maglich regarding Noble Lion, El Morro, Kinetic entities and relationships, Thomas Frey, Lendacy, Notices of Order, the Interim Report, document review and analysis, SEC (1.0); communications with Williams' counsel, third party subpoenas, Yip, forensic analysis, eHounds, document analysis, taxes, margin, borrowing, leverage, turnover, content development, investor communications, Kelly P, the safe, gold fund, interactive broker, bank in Puerto Rico, Scotia Bank, BBT, BMO, appraisals, storage, preservation of assets, estate administrations (1.5).	M. Kornfeld	2.50	SECL4	\$1093.75
04/06/20	Review omnibus outline and action items provided by Receiver and outline information in response to questions related to Lendacy operations.	Z. Foster	0.20	SECL4	\$53.00

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Date	Description	Professional	Hours	Task	Amount
04/06/20	Prepare for, lead strategy meeting regarding interim report, tax issues, document review, Frey Financial, El Morro, suspicious transfers, Lendacy, turnover, appraisals, interviews, claims process, subpoenas, development of web site, investor inquiries, Yip & Associates, forensics. (3 hrs). Emails, review correspondence to third-parties Jace LLC (.2). Emails, direct L. Cass, J. Maglich regarding appraisals (.2). Emails, review bank statements, trust administration documents (.2).	M. Kornfeld	3.60	SECL4	\$1575.00
04/06/20	Revise and finalize subpoena for issuance to Consultiva (.3); Finalize issuance of Orders appointing receiver to third parties I.P. and ADP; Review correspondence from J.A. regarding Order Appointing Receiver served on JACE (.1); Review Kinetic relationship with J.F/T.F. and review Interactive Brokers documents regarding same (.5); Prepare for and attend call with Kathia Torano regarding El Morro Financial (.6); Prepare for and attend meeting with legal team regarding current status of tasks and priorities (1.2); Telephone call and correspondence with Hal Levenberg regarding analysis of investor inflows and outflows (.5).	J. Maglich	3.20	SECL4	\$944.00
04/06/20	Communicate with Ron During regarding website.	R. Wilt	0.20	SECL4	\$39.00
04/06/20	Set up MailChimp account to be linked to receivership's website.	R. Wilt	0.20	SECL4	\$39.00
04/06/20	Communicate with K. Wollitz regarding GitHub account.	R. Wilt	0.20	SECL4	\$39.00
04/06/20	Per Receiver, prepare matrix of additional entities possibly related to or receiving funds from any of the receivership entities.	R. Wilt	0.30	SECL4	\$58.50
04/06/20	Review, analyze documents regarding Aquila and Calibrated Capital (2.8); update and confer with J. Maglich on document review regarding Thomas Frey (.2).	J. Vander Velde	3.00	SECL4	\$690.00

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Date	Description	Professional	Hours	Task	Amount
04/06/20	Call with legal team and receiver to discuss status of matter and appropriate next steps (1.2) (NO CHARGE).	B. Crocker	1.20	SECL4	\$0.00
04/06/20	Communicate with Jennifer Noel and Timothy Tuttle regarding online access to receivership's bank accounts.	R. Wilt	0.30	SECL4	\$58.50
04/06/20	Strategy call with Receiver and legal team to discuss receivership status and ongoing assignments (NO CHARGE).	Z. Foster	1.30	SECL4	\$0.00
04/06/20	Confer with M. Kornfeld, J. Maglich and legal team regarding document review, motions, subpoenas, appraisal, website, and further action relating to expenses, assets transferred to Puerto Rico (NO CHARGE).	L. Cass	1.30	SECL4	\$0.00
04/06/20	Prepare notice of issuance of subpoena to non-party (.2); communicate with Ron During regarding website for receivership (.2); communicate with Jennifer Noel and Timothy Tuttle regarding online access to receivership's bank accounts and ServisFirst's browser requirements (.6); analyze Receiver's memorandum regarding status in preparation for strategy meeting (.3); participate in receivership strategy meeting providing update on website, responses to orders provided to third parties, status of receivership banking arrangements and other tasked assignments (NO CHARGE); communicate with K. Wollitz regarding GitHub account (.2); per Receiver, prepare matrix of additional entities possibly related to or receiving funds from any of the receivership entities (.3); assemble data necessary to complete registration process from receivership website (.2).	R. Wilt	2.00	SECL4	\$390.00
04/06/20	Analyze Receiver's memorandum regarding status in preparation for team meeting additional assignments (NO CHARGE).	R. Wilt	0.30	SECL4	\$0.00

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Date	Description	Professional	Hours	Task	Amount
04/06/20	Participate in strategy meeting providing update on website, responses to orders provided to third parties, status of receivership banking arrangements and other tasked assignments (NO CHARGE).	R. Wilt	1.30	SECL4	\$0.00
04/07/20	Confer with J Maglich regarding forensic analysis surrounding transfers involving Kinetic Investment Group, Kinetics Fund I (1.0). Emails, review analyze discussions relating to subpoenas for American Express, ADP, Scotiabank, Banco Popular, Thomas Frey, BOA (.20). Review, analyze memo summary from J Maglich relating to call with K. Torano, Noble Lion Financial regarding accounting for El Morro (.50). Emails, confer with J. Maglich regarding requests for information, discussions with I. Quetglas (.20). Tend to estate administration, banking items (.20). Emails, advise regarding appraisals of bank building in Puerto Rico with L. Cass, J. Maglich (.20). Emails, confer with J. Maglich regarding ISX, Notice of Order of Receivership (.10). Review, analyze transfers, and loan history at Lendacy (1.50). Emails to/from J. Maglich regarding Interactive Brokers, taxes (.10).	M. Kornfeld	4.00	SECL4	\$1750.00
04/07/20	Begin reviewing professional's invoices for inclusion in fee application (2.5) (NO CHARGE); Exchange correspondence with counsel for Ian Quetglas regarding Order Appointing Receiver (.3); Review Github repository and confer with third party regarding contents (.4); Telephone call and correspondence with Kathia Torano and draft memorandum to file regarding same (1.2); Review summary of schedules prepared by Hal Levenberg and analyze flow of funds and comparison to investor representations (1.0); Confer with Zac Foster regarding subpoenas to third parties (.2); Draft correspondence to PDR and Interactive Brokers regarding status and documents (.2); Confer with L. Cass and M. Kornfeld regarding Puerto Rican appraisers for Banco Espanol (.2).	J. Maglich	3.50	SECL4	\$1032.50
04/07/20	Assemble tax returns and other documents to be provided to Receiver's accountant.	R. Wilt	0.70	SECL4	\$136.50

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Date	Description	Professional	Hours	Task	Amount
04/07/20	Review answer to order appointing receiver filed by BB&T Bank; communicate with Attorney Kehoe regarding Notice of Issuance of Non-Party Subpoena.	R. Wilt	0.30	SECL4	\$58.50
04/07/20	Set up and communicate with Ms. Kathia Torano regarding electronic depository file for documents to be provided by Noble Lion Financial.	R. Wilt	0.20	SECL4	\$39.00
04/07/20	Communicate with Ms. Vanater regarding checks for LF42 Trust.	R. Wilt	0.10	SECL4	\$19.50
04/08/20	Draft subpoena schedules for T. Frey, Frey Financial, ADP, Banco Popular, ScotiaBank, and Bank of America for use in discovery and asset recovery.	Z. Foster	1.30	SECL4	\$344.50
04/08/20	Document research and analysis into issues surrounding the "business plan" drafted by Lendacy in Q3 2016 and disseminated to investors, prospects for potential use in potential asset recovery assets and proceedings.	Z. Foster	2.40	SECL4	\$636.00
04/08/20	Confer with M. Kornfeld and J. Maglich regarding expert to review ISX Trading Platform.	L. Cass	0.20	SECL4	\$76.00
04/08/20	Download and organize documents provided by Kathia Torano (.3); revise subpoena directed to Jamene Pinnow (.3); communicate with Ms. Guerra regarding AMEX merchant team's investigation (.2); review correspondence from AMEX Merchant Services, Legal Holds Desk (.2); update team task matrix (.6) (NO CHARGE).	R. Wilt	1.00	SECL4	\$195.00
04/08/20	Review and analyze marketing information for Lendacy, Kinetic, and its predecessor entities.	Z. Foster	2.30	SECL4	\$609.50
04/08/20	Strategize, review, finalize the Thomas Frey subpoena.	J. Vander Velde	0.40	SECL4	\$92.00

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Date	Description	Professional	Hours	Task	Amount
04/08/20	Prepare for and participate in telephone call with Keli Pufahl and counsel regarding previous employment with Receivership Entities and draft memorandum to file regarding same (2.0); Telephone and email correspondence with Hal Levenberg regarding status of forensic review, preparation of schedules and investor statements, and timetable for same (1.0); Begin drafting Receiver's First Application for Payment of Fees and Expenses to Professionals (1.4) (NO CHARGE); Identify third parties of interest and draft correspondence enclosing copy of Order Appointing Receiver (.4); Exchange correspondence with counsel for M. Williams regarding status of responses to 4/2 letter (.2); Confer with Zac Foster regarding subpoenas to third parties (.2); Continue targeted review of imaged documents relating to El Morro and code relevant documents accordingly (1.0); Draft correspondence to Ron During regarding content for website (.5); Telephone and email correspondence with potential professional to evaluate software code and exchange correspondence with Mark Kornfeld regarding same (.7); Review correspondence from American Express regarding document production (.1); Exchange correspondence with counsel for investor G.W. regarding status (.1) (NO CHARGE); Confer with Brad Crocker and Jessica Vander Velde regarding status of preparation of memorandums to file regarding research topics (.2);.	J. Maglich	6.30	SECL4	\$1858.50
04/09/20	Prepare documents for transmittal to Mr. Levenberg (1.4); communicate with Ms. Rhianda at ServisFirst regarding online access to receivership bank accounts (.3).	R. Wilt	1.70	SECL4	\$331.50
04/09/20	Review, analyze subscription agreements and operating agreements for Kinetic Fund regarding management fees.	Z. Foster	1.40	SECL4	\$371.00
04/09/20	Review, analyze SEC investigative file and Lendacy documents.	L. Cass	0.20	SECL4	\$76.00

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Date	Description	Professional	Hours	Task	Amount
04/09/20	Confer with K. Wollitz about transmittal of letters with Order Appointing Third Party to third parties and quotes for storage unit (.2); Review SEC Investigative File and confer with J. Vander Velde regarding identification of relevant documents (1.0); Confer with Hal Levenberg regarding relevant documents identified during document review (.5); Confer with Mark Kornfeld regarding current status of tasks, preparation of court-ordered reports, and staffing (.4); Telephone and email correspondence with Jeff O'Neill regarding Zephyr Aerospace and draft memorandum to file regarding same (.8); Continue drafting Receiver's Initial Fee Application (4.0) (NO CHARGE); Telephone call with John Noonan regarding Florida Office of Financial Regulation files (.3).	J. Maglich	3.20	SECL4	\$944.00
04/10/20	Draft document production subpoena to I. Quetglas to assist in potential asset recovery.	Z. Foster	0.30	SECL4	\$79.50
04/10/20	Update third party contact matrix (.3) (NO CHARGE); review and organize bank statements received from ServisFirst (.5); communicate with Mr. Bill Price regarding 2018 tax returns for receivership entities and current banking information for receivership accounts (.3); revise exhibit for Pinnow subpoena (.3) (NO CHARGE); communicate with Mr. Brian Turner regarding service of subpoena on non-party Pinnow (.2); update team task list (1.2) (NO CHARGE); review file for all correspondence to or from former employee Kelly Locke (.5).	R. Wilt	1.50	SECL4	\$292.50
04/10/20	Exchange correspondence with former employee Ian Quetglas and confer with Receiver regarding status of response (.3); Continue drafting Receiver's First Fee Application and confer with Mark Kornfeld and billing department regarding same (3.7) (NO CHARGE); Review documents located relating to Quetglas resignation from Kinetic and confer with Receiver regarding same (.8); Confer with Zac Foster regarding Kelly Locke and Lendacy (.2); Confer with PDR regarding submission of invoices and preparation of Fund Accounting Report (.2).	J. Maglich	1.50	SECL4	\$442.50

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Date	Description	Professional	Hours	Task	Amount
04/12/20	Continue drafting motion for turnover of real property located in Puerto Rico and review and prepare underlying evidence (.5); analyze caselaw regarding legal standard for turnover and burden (.7) [NO CHARGE]; review of C. Ivory's declaration in support of SEC's motion to freeze assets, and annotate relevant points to be cited in motion for turnover (.3).	B. Crocker	0.80	SECL4	\$216.00
04/13/20	Conduct additional research on current email addresses and other contact information for former employee Locke and prepare letter to Kelly Locke regarding order appointing receiver (.5) [NO CHARGE]; update contact matrix to include additional data on non-parties and investors (1.2) (NO CHARGE); review receivership website prior to approving for public release (.3); communicate with Mr. During regarding contents for website (.2); communicate with Mr. Turner regarding service of subpoena on Consultiva Wealth Management in Puerto Rico (.2); update and organize team task list summarizing new assignments and status of current assignments for each team member (1.2) (NO CHARGE); prepare spreadsheet tracking document discovery, responses, deadlines, and production (.5); communicate with various investors providing receivership's website information (.7); review communication with forensic accountant regarding additional investigation into accounts held by BB&T (.2) (NO CHARGE).	R. Wilt	1.90	SECL4	\$370.50
04/13/20	Revise motion for turnover of Puerto Rico penthouse property (1.0); Analyze deposition transcript of Kelly Locke to include citations to the same in motion for turnover of Puerto Rico penthouse property (.5); Analyze deposition transcript of Keli Pufahl to include citations in motion for turnover (.5); Finalize declaration of J. Maglich in support of Receiver's motion for turnover (.6); Review and analyze case law relating to court's powers to grant equitable relief (.4); Review and analyze filings submitted by Mr. Williams to date, including his declaration (.8).	B. Crocker	2.80	SECL4	\$756.00

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Date	Description	Professional	Hours	Task	Amount
04/13/20	Emails with, direct R. Wilt, J. Maglich, review analyze correspondence and work product regarding portfolio tax issues, storage, Sarasota office (.30). Emails with J. Maglich, L. Cass regarding building in Puerto Rico, appraisals (.20).	M. Kornfeld	0.50	SECL4	\$218.75
04/13/20	Email, review, analyze and direct R. Wilt, J. Maglich regarding Interim Report, document review and analysis, sources of documents, coding, strategy, assignments, timeline, letters from BBT, American Express, drafts of motions, Issuance and service of third-party subpoenas, attorney-client privileged issues, SEC files, Receiver web site (2.50). Emails, review memos/spreadsheets relating to contacts, subpoenas, documents (.50).	M. Kornfeld	3.00	SECL4	\$1312.50
04/13/20	Review investor files for investor G.W. and draft memorandum to Mark Kornfeld in advance of 4/14 call with investor G.W. and counsel (1.0); Continue reviewing professionals' invoices and revising Fee Application (5.5) (NO CHARGE); Telephone and email correspondence with Ron During regarding finalizing and activating website (.4); Telephone and email correspondence with Hal Levenberg regarding location of various account and investor documents, brokerage account holdings, and preparation of schedules (.4); Review correspondence from counsel for Consultiva regarding subpoena (.1); Confer with Mark Kornfeld regarding current tasks and priorities (.4).	J. Maglich	2.30	SECL4	\$678.50
04/13/20	Review Securities and Exchange Commission production and continue analysis of the operations of the early Kinetic entities and funds (NO CHARGE).	J. Vander Velde	2.00	SECL4	\$0.00

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Date	Description	Professional	Hours	Task	Amount
04/14/20	Access websites for Interactive Brokers and BMO Harris Bank to obtain copies of account statements for March and through April 14, 2020 (.8); access ADP's website to obtain reports on payroll processed in March, 2020 (.1); communicate with Mr. Price regarding March banking, brokerage and payroll statements and reports (.3); review data supplied by registration forms submitted through receivership website and update investor contract matrix accordingly (.3).	R. Wilt	1.50	SECL4	\$292.50
04/14/20	Review large number of files received from Famiglio & Associates and catalog same (2.0); Prepare summary of documents received from Famiglio & Associates for Receiver (1.1).	B. Crocker	3.10	SECL4	\$837.00
04/14/20	Review correspondence between Anadi Gaur and Michael Williams, review files from Anadi Gaur computer, and participate in call with Anadi Gaur regarding Kinetic Funds operations and duties (2.4); Review documents regarding investor account and prepare for and participate in telephone call with investor and counsel and draft memorandum to file regarding same (1.6); Telephone and email correspondence with PDR CPA regarding preparation of Fund Accounting Report (.6) (NO CHARGE); outline and begin drafting First Interim Report (1.8); Telephone and email correspondence with Hal Levenberg regarding preparation of initial report and location of relevant documents (.5).	J. Maglich	6.30	SECL4	\$1858.50
04/14/20	Conduct search of SEC investigative file for testimony from various former employees (.5); assemble necessary information for notice and Receivership Order to Vantage Retirement Plans (.1); communicate with Ms. Magally Ordaz regarding deposition transcripts of employees of the receivership entities (.1); communicate with Malcolm Barrett at Branch Banking & Trust Company regarding bank accounts previously held by the Kinetic entities (.3).	R. Wilt	1.00	SECL4	\$195.00

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Date	Description	Professional	Hours	Task	Amount
04/14/20	Emails, review, analyze YIP work product, J. Maglich emails regarding flow of money, portfolio performance metrics disclosures, transfers (2.0); Review, analyze LENDACY related emails (.40); Emails, direct J. Maglich regarding communications with investors, flow of monies (.50).	M. Kornfeld	2.90	SECL4	\$1268.75
04/14/20	Emails, advise R. Wilt, J. Maglich regarding payroll, 401k withholdings (.20).	M. Kornfeld	0.20	SECL4	\$87.50
04/14/20	Emails, direct J. Vander Velde, J. Maglich regarding document review, SEC documents, Interim Report (.50). Emails, confer with J. Maglich regarding communications with investors, document collection (.50).	M. Kornfeld	1.00	SECL4	\$437.50
04/15/20	Edit and update total compensation chart, Receiver's counsel's invoices, accounting invoices, forensic technology invoices, security invoices, and web development invoice summary charts for fee application (NO CHARGE).	N. Perez	2.10	SECL4	\$0.00
04/15/20	Edit and update fee application with amounts for counsel and various vendors (NO CHARGE).	N. Perez	0.90	SECL4	\$0.00
04/15/20	Prepare exhibits to fee application for all vendors, counsel, and receiver to be paid (NO CHARGE).	N. Perez	2.20	SECL4	\$0.00
04/15/20	Telephone call and correspondence with George Spector regarding Sarasota office and exchange correspondence with Mark Kornfeld and Karen Wollitz regarding surrender of Sarasota office (.8); Exchange correspondence with counsel for ADP regarding access to documentation (.2).	J. Maglich	1.00	SECL4	\$295.00

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Date	Description	Professional	Hours	Task	Amount
04/15/20	Multiple emails and calls with Hal Levenberg regarding outstanding Kinetic issues for preparation of Interim Report and tracing/understanding of asset flow (1.6); Finalize First Fee Application and Exhibits and draft correspondence enclosing same to Christine Nestor (5.0) (NO CHARGE); Review memorandum from Brad Crocker regarding Famiglio production and review pulled documents (.5); Exchange correspondence with Steve Malinac regarding letter to Michael Williams (.2); Analyze Sarasota office documentation and spreadsheets to understand reporting of fund performance (1.4).	J. Maglich	3.70	SECL4	\$1091.50
04/15/20	Emails, advise regarding issues surrounding Sarasota office, termination of lease, assets to be stored (.3).	M. Kornfeld	0.30	SECL4	\$131.25
04/15/20	Review, emails regarding document and information gathering from third parties (.30). Emails, confer with J Maglich regarding communications with SEC (.20). Tend to initial fee application and exhibits, review, analyze same. (2.0) (NO CHARGE).	M. Kornfeld	0.50	SECL4	\$218.75
04/15/20	Review forensic technology bill from E-Hounds, analyze and prepare summary chart of charges for fee application (NO CHARGE).	N. Perez	1.40	SECL4	\$0.00
04/15/20	Review International Intelligent Group invoices and prepare summary chart of charges for fee application (NO CHARGE).	N. Perez	1.20	SECL4	\$0.00
04/15/20	Review various locksmith invoices and prepare summary chart of charges for fee application (NO CHARGE).	N. Perez	0.40	SECL4	\$0.00
04/15/20	Review K. Tec invoices and prepare summary chart of charges for fee application (NO CHARGE).	N. Perez	0.80	SECL4	\$0.00
04/15/20	Organize documents provided by Mr. Symmes (.6); download and organize documents provided by Ms. Pufahl (.8).	R. Wilt	1.40	SECL4	\$273.00

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Date	Description	Professional	Hours	Task	Amount
04/15/20	Review and analyze fund performance and depiction of same to investors.	Z. Foster	0.40	SECL4	\$106.00
04/15/20	Prepare analysis of Kinetics Funds disclosures with respect to Lendacy and investment strategy and of Lendacy credit lines and agreements.	Z. Foster	2.00	SECL4	\$530.00
04/15/20	Draft proposed order directing payment to Receiver's professionals (.2) (NO CHARGE); analyze data provided Mr. Price's accounting to confirm balances of assets currently held by receivership(1.2) (NO CHARGE); revise exhibit summarizing receivership expenses (.5) (NO CHARGE); revise fee application to include cash balances and receivership funding (.4) (NO CHARGE); revise team task matrix summarizing developments in investigations (.8) (NO CHARGE); analyze data provided by Attorney LaPlaca (.3) (NO CHARGE); communicate with Mr. Levenberg regarding additional details required for submission to the Court (.2) (NO CHARGE); assemble and summarize additional facts and supporting documents regarding for submission to the Court (1.2) (NO CHARGE).	R. Wilt	4.40	SECL4	\$0.00
04/15/20	Draft subpoena duces tecum to Vantage Retirement Plans, LLC.	Z. Foster	0.40	SECL4	\$106.00
04/15/20	Review, analyze, summarize extensive documents received from Famiglio and Associates (.6) Review recent media reports (.2) (NO CHARGE).	B. Crocker	0.60	SECL4	\$162.00
04/16/20	Calls, emails with counsel for Mr. Williams, J. Maglich regarding Receiver letter request for information, Silexx, banking information, transfers prior to the March 2020 hearing, trust accounts, margin borrowing (2.0). Tend to, advise J. Maglich, L. Cass, R. Wilt regarding third party subpoenas communications with Consultiva, local counsel (.30). Emails, review advise J. Maglich regarding communications with counsel for investor (.10). Emails, advise regarding transcripts review (.10).	M. Kornfeld	2.50	SECL4	\$1093.75

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Date	Description	Professional	Hours	Task	Amount
04/16/20	Update exhibit to the first fee application (NO CHARGE).	N. Perez	0.10	SECL4	\$0.00
04/16/20	Review, analyze documents provided by Famiglio accounting for 2018 tax returns to be provided to Receiver's accountants expert.	R. Wilt	0.20	SECL4	\$39.00
04/16/20	Review registration data received from various investors (.3).	R. Wilt	0.30	SECL4	\$58.50
04/16/20	Multiple emails and telephone calls with Hal Levenberg regarding KF Summit, preparation of interim report, and various questions regarding missing documents (1.3); Prepare for, participate in, and draft memorandum to file regarding call with John Symmes (1.9); Telephone call with Steve Malinae and Joe Picone regarding issues raised in 4/2 correspondence and confer with Receiver regarding same (1.8); Confer with Karen Wollitz regarding Sarasota office departures (.2); Confer with and direct Rebecca Wilt and Nichole Perez regarding obtaining documents from third parties and review correspondence from Banco Popular regarding receipt of Order Appointing Receiver (.4); Confer with counsel for J.F. regarding status of document production (.1); Review correspondence from counsel for Consultiva regarding service of process and confer with Receiver regarding same (.3).	J. Maglich	6.00	SECL4	\$1770.00
04/16/20	Strategize potential inclusion of testimony from K. Locke as evidence in support of motion for turnover (.2); Review and analyze relevant testimony from K. Locke regarding purchase of Puerto Rico penthouse (.3).	B. Crocker	0.50	SECL4	\$135.00
04/16/20	Review and analyze Yip forensic work product, draft report trading all funds (1.0). Calls and emails, with R Wilt, J Maglich regarding frozen bank accounts (.20).	M. Kornfeld	1.20	SECL4	\$525.00
04/16/20	Emails, direct J Maglich, K. Wollitz, R. Wilt regarding Sarasota office, asset preservation and storage (.20).	M. Kornfeld	0.20	SECL4	\$87.50

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Date	Description	Professional	Hours	Task	Amount
04/16/20	Communicate with Mr. Turner regarding status of serving subpoenas on Consultiva Wealth Management and Ms. Pinnow (.4); review correspondence from Attorney Davila regarding attempts to serve subpoena on Consultiva Wealth Management (.1); communicate with Ms. Ordaz regarding former employee depositions (.2); communicate with Ms. Alexandra at Merrill Lynch regarding records (.3); communicate with Attorney Jeff Rayball at Merrill Lynch regarding receivership (.4); review correspondence from Ms. Kristie Flores at Banco Populas certificate of accounts for KIH, Inc.'s bank accounts (.1); communicate with Ms. Flores regarding obtaining copies of all records relating the KIH's accounts (.2); communicate with Mr. Barrett at BB&T regarding historical records of Kinetic related accounts (.4); download and organize transcripts of the depositions of former Kinetic employees (.6) (NO CHARGE); prepare memorandum summarizing San Juan process server's interpretation of local executive order relating to effecting service of subpoenas during shut down (.3); communicate with Ms. Guerra regarding AMEX account records for Kinetic (.2).	R. Wilt	2.60	SECL4	\$507.00
04/17/20	Review forensic accounting report regarding flow of funds between Receivership and related entities.	Z. Foster	0.60	SECL4	\$159.00
04/17/20	Review and analyze call memorandum relating to John Symmes (NO CHARGE).	Z. Foster	0.20	SECL4	\$0.00
04/17/20	Communicate with Attorneys Picone and Malina for Mr. Williams regarding documents to be produced by defendant (.2); revise, summarize ongoing contact with relevant third parties (.5); download and organize documents produced by defendant, Williams (.3); review correspondence from Attorney Malina regarding Banco Popular accounting (.1).	R. Wilt	1.10	SECL4	\$214.50
04/17/20	Communicate with Ms. Flores regarding frozen assets.	R. Wilt	0.20	SECL4	\$39.00

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Date	Description	Professional	Hours	Task	Amount
04/17/20	Confer with Banco Popular regarding asset freeze letter.	J. Maglich	0.20	SECL4	\$59.00
04/17/20	Confer and coordinate removal of items from Sarasota office and exchange correspondence with landlord regarding same.	J. Maglich	0.40	SECL4	\$118.00
04/17/20	Confer with M. Kornfeld (.10), H. Gonzalez (.10), D. LaPlaca (.10), and J. Fuste (.10) regarding service of subpoena in light of Puerto Rico Emergency Order.	L. Cass	0.40	SECL4	\$152.00
04/17/20	Communications with L. Plum following up on request for client file for Receivership entities (.2).	B. Crocker	0.20	SECL4	\$54.00
04/17/20	Calls with J. Maglich, prepare for, calls with SEC regarding asset transfers, scope of asset freeze, bank accounts, Mr. Williams position and request for access to bank accounts and his response to Receiver request for information (1.5). Review, emails, with J. Maglich regarding correspondence from Mr. Williams' counsel, proposed response to same (.50). Review, analyze, questions, comments regarding YIP draft report delivered at the direction of counsel to Receiver (2.0).	M. Kornfeld	4.00	SECL4	\$1750.00
04/17/20	Emails, correspondence with counsel in Puerto Rico regarding retrieval of business computers (.2). Emails, direct K. Wollitz, J. Maglich regarding Sarasota office, moving, storage (.20). Emails, direct J. Maglich regarding third party service provider requests for payment for pre receivership services (.20).	M. Kornfeld	0.60	SECL4	\$262.50
04/17/20	Review, analyze memos relating to Kinetics early operations (.20). Review, analyze emails, memorandum regarding investor communications, background information, transfers, redemption information (.30).	M. Kornfeld	0.50	SECL4	\$218.75

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Date	Description	Professional	Hours	Task	Amount
04/17/20	Review draft summary of findings by Yip and Associates, confer with Mark Kornfeld, and prepare comments (1.5); Exchange correspondence with Williams' counsel and review documents provided (.4); Telephone call and correspondence with Christine Nestor regarding case status and asset freeze (.6); Exchange correspondence with Todd Merer regarding desktop computers to be produced to Receiver (.2); Confer with Florida Office of Financial Regulation regarding document production (.3);.	J. Maglich	3.00	SECL4	\$885.00
04/20/20	Communications with L. Plum regarding client files in possession of Plum & Company CPAs (.2).	B. Crocker	0.20	SECL4	\$54.00
04/20/20	Communicate regarding service of subpoena on Ms. Pinnow (.2).	R. Wilt	0.20	SECL4	\$39.00
04/20/20	Conduct search for proper service addresses for additional non-parties to be subpoenaed for records (.6); draft subpoenas directed to third-parties (.8); communicate with Ms. Currabio regarding Banco Popular's records (.2); update Contact matrix to include data on additional non-parties (.5) (NO CHARGE).	R. Wilt	1.60	SECL4	\$312.00
04/20/20	Confer with H. Gonzalez regarding computer analysis and curfew (.20). Confer with H. Ramirez regarding service or process during curfew and standing orders in the U.S. District Court for the District of Puerto Rico (.30).	L. Cass	0.50	SECL4	\$190.00
04/20/20	Work product analysis of Yip preliminary findings (1.0). Emails, calls with Yip, J. Maglich regarding forensic analysis, report, comments, questions relating to same (1.8). Emails, analysis with J. Maglich regarding margin, interactive brokers (.10). Emails from and to SEC regarding Mr. Williams' March 2020 transfer activity prior to court hearing (.20).	M. Kornfeld	3.10	SECL4	\$1356.25

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04/20/20	Emails, confer with J. Maglich, K. Wollitz regarding lease, storage (.10). Investor letter, emails w J. Maglich, L. Cass regarding same (.10). Emails, direct J. Maglich regarding third party Vendor requests for pre receivership payments (.10).	M. Kornfeld	0.30	SECL4	\$131.25
04/20/20	Strategy meeting regarding third party subpoenas, document review and findings, communications with banking entities, communications with Mr. Williams counsel, discussion with SEC, claims process, motion practice, research (1.3).	M. Kornfeld	1.30	SECL4	\$568.75
04/20/20	Exchange correspondence with former corporate counsel for Mr. Williams, Philip Handin, Esq., regarding payment for invoice and confer with Receiver regarding same (.2); Exchange correspondence with Hal Levenberg and participate in conference call regarding draft summary of findings (1.5); Telephone call with legal team regarding strategic next steps (1.4); continue drafting Interim Report (2.5); Review transfers made on March 5, 2020 and exchange correspondence regarding same (.5); Review correspondence from A.C.A.A. and draft correspondence regarding same (.3);.	J. Maglich	6.40	SECL4	\$1888.00
04/20/20	Strategy call with Receiver and co-counsel regarding case status and strategy (NO CHARGE).	Z. Foster	1.40	SECL4	\$0.00
04/20/20	Confer with M. Kornfeld and team regarding appraisal, response to Consultiva, listing of Tetuan Street property, and computer analysis.	L. Cass	0.60	SECL4	\$0.00
04/20/20	Confer with forensic accounting firm regarding an analysis of the outstanding Lendacy loan amounts.	Z. Foster	0.10	SECL4	\$26.50
04/20/20	Review and analyze A. Turner documents for use in case analysis and asset recovery.	Z. Foster	1.30	SECL4	\$344.50
04/20/20	Draft response to J. Davila regarding subpoena service of process.	L. Cass	0.30	SECL4	\$114.00

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Date	Description	Professional	Hours	Task	Amount
04/20/20	Telephone call with bank regarding service of Order Appointing Receiver.	N. Perez	0.30	SECL4	\$58.50
04/21/20	Continue review of A. Turner document review and analysis.	Z. Foster	1.80	SECL4	\$477.00
04/21/20	Emails to, from Yip, J Maglich regarding key analytical tables, transfers to El Morro, KIG, Mr. Williams, review, analyze charts, documents relating to same (2.0). Review analyze information relating to fund performance, transfers to Puerto Rico, evidence of potential wrongful/illegal conversion of proceeds, purported compensation to Mr. Williams, ex-wife, current girlfriend, real time disputes with Mr Frye (2.0).	M. Kornfeld	4.00	SECL4	\$1750.00
04/21/20	Emails, advise, direct L. Cass, J. Maglich regarding third party subpoenas (.30). Emails from, to J. Vander Velde regarding document review and analysis, SEC info (.10).	M. Kornfeld	0.40	SECL4	\$175.00
04/21/20	Draft analysis of each relevant Kinetic entity for inclusion in Interim Report.	J. Vander Velde	0.80	SECL4	\$184.00
04/21/20	Confer regarding Consultiva subpoena and acceptance of service (.4); Review memorandum from Jessica Vander Velde regarding predecessor entities (.4); Exchange correspondence with ADP regarding production of documents (.2); Confer with Hal Levenberg regarding requests for supporting documents and invoices (.4); Continue preparing Interim Report and review relevant documents for preparing same (4.5).	J. Maglich	5.90	SECL4	\$1740.50
04/21/20	Confer with Luke Cass regarding status of appraisals on bank property.	J. Maglich	0.10	SECL4	\$29.50
04/21/20	Confer with and coordinate removal of contents from Sarasota office.	J. Maglich	0.30	SECL4	\$88.50

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Date	Description	Professional	Hours	Task	Amount
04/22/20	Review appraisal of Banco Espanol provided by defendants' counsel prior to sending to insurance agents and analyze document for information relating to renovations made to property (.3); Communications with insurance agents regarding appraisal and insuring building (.3);.	B. Crocker	0.60	SECL4	\$162.00
04/22/20	Review and analyze loan documents and Lendacy statements relating to loans made to Williams or entities controlled by Williams to determine if Williams repaid these loans according to their terms.	Z. Foster	1.40	SECL4	\$371.00
04/22/20	Research and provide additional documents requested by forensic accountant related to Silexx for use in forensic analysis and motion support.	Z. Foster	0.30	SECL4	\$79.50
04/22/20	Review relevant documents and continue preparing Interim Report (5.0); Confer with Hal Levenberg and office regarding production of supporting documents for potential investors/loan recipients (.4); Telephone and email correspondence with A.C.A.A. regarding status of receivership (.4); Confer with counsel for J.F. regarding production of documents (.2).	J. Maglich	6.00	SECL4	\$1770.00
04/22/20	Address correspondence regarding move-out and storage of items from Sarasota office for 4/23/20.	J. Maglich	0.40	SECL4	\$118.00
04/22/20	Emails, direct R. Wilt, J. Maglich, K. Wollitz regarding Sarasota office (.10).	M. Kornfeld	0.10	SECL4	\$43.75
04/22/20	Review, analyze, recent SEC, core documents (.80).	M. Kornfeld	0.80	SECL4	\$350.00
04/23/20	Emails, review, analyze work product, spreadsheets, confer w J. Maglich, Yip regarding transfers, Interim Report, tracing monies to and from Williams controlled entities (1.50).	M. Kornfeld	1.50	SECL4	\$656.25

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Date	Description	Professional	Hours	Task	Amount
04/23/20	Emails, review, analyze, discuss with J. Maglich, SEC opposition to Mr. Williams' emergency application to clarify the court's prior asset freeze and Receivership Order, motion papers in connection with same (2.0). Outline issues relating to transfers to and from Mr. Williams' counsel in March 2020, chronology of correspondence with counsel, BMO, Banco Popular, seeking information and accounting for transfers (2.0).	M. Kornfeld	4.00	SECL4	\$1750.00
04/23/20	Call with A. Turner to discuss follow-up questions regarding certain Lendacy loans and commissions paid and draft memorandum to file regarding same (1.4).	Z. Foster	1.40	SECL4	\$371.00
04/23/20	Research and analyze documents related to mergers into Kinetic International.	Z. Foster	0.40	SECL4	\$106.00
04/23/20	Review and analyze documents related to payments from KCL to El Morro to determine for what, if any, services El Morro was billing KCL.	Z. Foster	0.80	SECL4	\$212.00
04/23/20	Research and analyze statements and loan documents to determine the outstanding loan balances and potential legal claims against non-investor borrowers.	Z. Foster	1.60	SECL4	\$424.00
04/23/20	Review K-1's for Silexx to provide supporting documentation for ownership interest breakdown.	Z. Foster	0.20	SECL4	\$53.00
04/23/20	Review, revise, and continue drafting Interim Report (3.6); Review documents from American Express and BMO Bank (.8); Review Defendant's emergency motion for clarification, confer with Commission and Receiver, and begin drafting Receiver's response to same. (3.5).	J. Maglich	7.90	SECL4	\$2330.50
04/24/20	Additional document research regarding Frey's financial stake in Silexx.	Z. Foster	0.60	SECL4	\$159.00
04/24/20	Research and review documents to analyze Williams' claim that LF42 loan was repaid.	Z. Foster	1.60	SECL4	\$424.00

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Date	Description	Professional	Hours	Task	Amount
04/24/20	Research and attempt to contact Kelly Locke (.20) [NO CHARGE].	Z. Foster	0.00	SECL4	\$0.00
04/24/20	Revise Schedule A to document production subpoena to Merrill Lynch.	Z. Foster	0.10	SECL4	\$26.50
04/24/20	Review company emails and bank documents and continue drafting response to Defendant's Emergency Motion for Clarification (6.4); Telephone call with Interactive Brokers regarding margin accounts and draft memorandum to file regarding same (.8).	J. Maglich	7.20	SECL4	\$2124.00
04/24/20	Communicate with Mr. Levenberg regarding Quickbook data.	R. Wilt	0.20	SECL4	\$39.00
04/24/20	Emails, discussions with J Maglich regarding asset transfers by Williams and counsel in March 2020, review, analyze documents relating to same (.50). Emails, analysis, review of documents relating to transfers to and from relief defendants and receivership entities (1.5).	M. Kornfeld	2.00	SECL4	\$875.00
04/24/20	Emails throughout day with K. Wollitz, J. Maglich regarding Sarasota office move (.10).	M. Kornfeld	0.10	SECL4	\$43.75
04/24/20	Review, analyze, call with J. Maglich regarding Mr. Williams' emergency application and motion to clarify the courts March 6 2020 orders appointing receiver and asset freeze (2.0). Review, analyze, deliver comments to J. Maglich regarding Receiver's opposition to motion for emergency relief (1.5). Emails relating to recent document productions from BOA and Greenberg on behalf of Mr. Williams (.10). Tend to Receiver's website (.10) (NO CHARGE).	M. Kornfeld	3.60	SECL4	\$1575.00
04/25/20	Review, analyze, comments to draft opposition to Mr. Williams motion to clarify orders and unfreeze assets (1.5). Review, analyze, comments to draft Interim Report (.50). Emails with J. Maglich throughout day relating to opposition and Interim Report (1.0).	M. Kornfeld	3.00	SECL4	\$1312.50

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Date	Description	Professional	Hours	Task	Amount
04/25/20	Revise Opposition to Williams' Motion for Clarification and draft declaration in support (2.4); Revise Interim Report (1.6).	J. Maglich	4.00	SECL4	\$1180.00
04/26/20	Review, analyze, emails, telephone calls with J. Maglich regarding Interim Report, finalizing serving of Receiver opposition to Mr. Williams' motion for emergency relief and clarification of prior orders (3.5). Review, analyze SEC motion papers opposing Williams' application, and order to show cause for contempt for violating March 6, 2020 Court Order (.50).	M. Kornfeld	4.00	SECL4	\$1750.00
04/26/20	Emails, analysis documents from Yip relating to asset transfers, tracing of monies (.50).	M. Kornfeld	0.50	SECL4	\$218.75
04/26/20	Prepare exhibits to affidavit in support of response in opposition to unfreeze assets.	N. Perez	0.40	SECL4	\$78.00
04/26/20	Review and edit response in opposition to unfreeze assets.	N. Perez	0.30	SECL4	\$58.50
04/26/20	Prepare, file, and serve affidavit in support of response in opposition to unfreeze assets.	N. Perez	0.50	SECL4	\$97.50
04/26/20	Revise and finalize Opposition to Williams' Emergency Motion for Clarification and declaration in support and prepare for filing (2.8); Review Commission's Opposition to Williams Motion for Clarification (.5).	J. Maglich	3.30	SECL4	\$973.50
04/27/20	Confer with H. Gonzalez regarding computer collection, appraisals, and interviews (.20). Confer with B. Rivera and J. Roman regarding appraisal reports (.30).	L. Cass	0.50	SECL4	\$190.00
04/27/20	Call G. Rosenberger (.1) (NO CHARGE).	B. Crocker	0.10	SECL4	\$0.00
04/27/20	Call with Receiver to discuss recent developments (.6) (NO CHARGE); Review and analyze motion for relief from asset freeze filed by Williams (.2) (NO CHARGE); Review and analyze opposition to motion for relief from asset freeze filed by SEC (.2) (NO CHARGE); Review and analyze draft initial receiver report (.3).	B. Crocker	0.30	SECL4	\$81.00

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Date	Description	Professional	Hours	Task	Amount
04/27/20	Confer with counsel for K. Locke regarding case and potential interview.	Z. Foster	0.40	SECL4	\$106.00
04/27/20	Analyze return of non-service of subpoena receiver from process server (.2) [NO CHARGE]; communicate with William Owen regarding personal property owned by Kinetic to be removed from apartment in Sarasota (.3).	R. Wilt	0.30	SECL4	\$58.50
04/27/20	Review correspondence received from various non-parties and vendors (.5); prepare for and attend team conference call and status report (1.2) (NO CHARGE); draft motion for extension of time to respond to complaint (.3); prepare request to Clerk for filing and service of motion (.2).	R. Wilt	1.00	SECL4	\$195.00
04/27/20	Continue reviewing documents and drafting Interim Report.	J. Maglich	5.50	SECL4	\$1622.50
04/27/20	Review, analyze emails from investors regarding assets, approach to distributions based on timing (.10). Emails to from Yip, J. Maglich regarding asset tracing, "missing" account information, ongoing forensic analysis for tracing investor monies (.50).	M. Kornfeld	0.60	SECL4	\$262.50
04/27/20	Finalize Sarasota storage issues (.10).	M. Kornfeld	0.10	SECL4	\$43.75

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Date	Description	Professional	Hours	Task	Amount
04/27/20	Lead strategy meeting regarding recent motion practice with Mr. Williams, SEC, Receiver regarding emergency application for clarification of March orders, document analysis (1.0). Review, emails, confer with J. Maglich, R. Wilt and comment on unopposed motion to extend response time for receivership defendants to answer SEC complaint (.20). Review, analyze, revise, questions, deliver direction and comments to Interim Report (2.0). Emails, respond with J. Maglich to inquiries regarding margin utilization (.10). Review, analyze all papers and exhibits relating to Williams' motion for emergency relief to unfreeze assets and clarify March 6, 2020 Court orders (1.50). Communicate with web site operator, R. Wilt, regarding updating Receiver website with all filings (.10).	M. Kornfeld	4.90	SECL4	\$2143.75
04/28/20	Review and revise Receiver's status report (NO CHARGE).	Z. Foster	1.50	SECL4	\$0.00
04/28/20	Review defendant Williams's answer and affirmative defenses (.5) (NO CHARGE); communicate with Mr. During regarding additional information to be posted to Receiver's website (.3); communicate with Mr. Turner regarding attempts to serve subpoena on defendant's ex-wife (.3); communicate with Edward Bautista regarding receivership (.4); prepare summary of Mr. Bautista's comments and contact information (.2); review communicate from court reporter regarding hearing transcript (.1) [NO CHARGE]; revise Interim Report to include specific banking data (1.3).	R. Wilt	2.50	SECL4	\$487.50
04/28/20	Revise request for supporting documents of specific transactions mission from BMO Harris Bank's production (.3); communicate with Mr. Levenberg regarding missing information from BMO (.2).	R. Wilt	0.50	SECL4	\$97.50

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Date	Description	Professional	Hours	Task	Amount
04/28/20	Review, analyze, emails with J Maglich and Yip regarding Preliminary, ongoing forensic analysis, including tracing investor money, Lendacy loan flows and histories, Fund performance, transfers to Williams and Williams entities, LF42, and transfers of unknown origins (2.0).	M. Kornfeld	2.00	SECL4	\$875.00
04/28/20	Emails with landlords regarding end of lease (.10).	M. Kornfeld	0.10	SECL4	\$43.75
04/28/20	Review, revise, calls, emails with J. Maglich regarding filing of and revisions to April 30 Receiver's First Interim Report.	M. Kornfeld	2.00	SECL4	\$875.00
04/28/20	Correspondence with Commission regarding deadline to respond to Complaint and draft motion for extension to serve response (.8); Continue reviewing relevant documents and drafting interim report (6.0).	J. Maglich	6.80	SECL4	\$2006.00
04/29/20	Communicate with Mr. Levenberg regarding additional information required supporting transactions in BMO accounts (.3); communicate with Ms. Camie Schneider regarding BMO Harris Banks transactions (.2); prepare and mark exhibits for receiver's interim report (.8); search for and isolate banking data to be included in report (.7); revise and edit charts summarizing bank records for report (.6); revise and update citations to records in report (1.4); revise and edit table of contents for report (.6) (NO CHARGE).	R. Wilt	4.00	SECL4	\$780.00
04/29/20	Confer with counsel for K. Locke regarding pending interview.	Z. Foster	0.10	SECL4	\$26.50
04/29/20	Continue reviewing relevant documents and schedules and drafting Interim Report (5.5); Strategize regarding exhibits to be attached to Interim Report and prepare same (.5); Confer with Mark Kornfeld and Hal Levenson regarding revisions to Interim Report (1.0); Telephone and email correspondence with attorney Todd Merer regarding subpoena to Ms. Pinnow and extension to respond (.4).	J. Maglich	7.40	SECL4	\$2183.00

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Date	Description	Professional	Hours	Task	Amount
04/29/20	Communicate with Mr. Turner regarding subpoena served on defendant's ex-wife (.1); review and approve invoice and return of service for service of subpoena on defendant's ex-wife (.2); communicate with Mr. Owen regarding inventory of personal property help in corporate apartment (.4); communicate with Ms. Kerstyn Hernandez regarding proposal to move personal property to storage facility (.6); communicate with Ms. Alicia Lopes regarding vacating corporate apartment (.3); update contact matrix accordingly (.2) (NO CHARGE).	R. Wilt	1.60	SECL4	\$312.00
04/29/20	Review, analyze, deliver questions and comments to Yip preliminary report.	M. Kornfeld	1.20	SECL4	\$525.00
04/29/20	Emails, direct R Wilt, J Maglich regarding apartment, furniture, storage.	M. Kornfeld	0.10	SECL4	\$43.75
04/29/20	Email, direct J. Maglich regarding service of third party subpoena, extension of time (.10). Emails, regarding witness interview, outline with Z. Foster regarding same (.10). Review, revise, finalize Receiver's First Interim Report (2.0). Review, analyze exhibits (.50).	M. Kornfeld	2.70	SECL4	\$1181.25
04/29/20	Review and analyze documents relating to K. Locke role at Kinetic Funds and subsequent departure (2.4).	B. Crocker	2.40	SECL4	\$648.00
04/30/20	Revise exhibits and explanatory charts for interim report (1.0); communicate with Mr. During regarding maintenance and use of website for receivership (1.1); prepare for filing and service of interim report and accompanying exhibits (.9).	R. Wilt	3.00	SECL4	\$585.00
04/30/20	Review and analyze K. Locke deposition and relevant documents in preparation for witness interview.	Z. Foster	2.30	SECL4	\$609.50

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Date	Description	Professional	Hours	Task	Amount
04/30/20	Revise and finalize Interim Report and exhibits for filing (4.0); Telephone conference with Mark Kornfeld, Christine Nestor and Stephanie Moot (.3) (NO CHARGE); Review Court's Order on Motion to Show Cause and confer with Mark Kornfeld regarding same (.2).	J. Maglich	4.20	SECL4	\$1239.00
04/30/20	Emails, confer w J Maglich, Yip regarding forensic analyses, key sourcing for Interim Report (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
04/30/20	Emails, telephone calls with J. Maglich, SEC, regarding order to show cause, witness interview, Williams motion for relief, Interim Report (.50). Review, analyze fee application, service provider invoices, and call with SEC regarding fee application (1.0 NO CHARGE.) Review, revise, finalize First Interim Report (2.50).	M. Kornfeld	3.00	SECL4	\$1312.50
04/30/20	Summarize findings from document review and provide analysis regarding the same addressing VTrader and its relation to the receivership entities and Kinetic investors (1.3) (NO CHARGE).	B. Crocker	1.30	SECL4	\$0.00
05/01/20	Prepare instructive memorandum for maintenance of receivership website (NO CHARGE).	R. Wilt	0.30	SECL4	\$0.00
05/01/20	Emails, analysis regarding briefing schedule on order to show cause, May 21 hearing. (.10). Emails, direct J. Maglich regarding subpoenas, turnover motion, strategy (.50). Review, confer with J Maglich regarding VTrader, discussions with SEC (.20). Review, analyze, comments, preliminary forensics analysis (1.50).	M. Kornfeld	2.30	SECL4	\$1006.25
05/01/20	Revise Fee Application (2.8) (NO CHARGE); Revise and finalize subpoenas to third parties (1.4).	J. Maglich	1.40	SECL4	\$413.00

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Date	Description	Professional	Hours	Task	Amount
05/04/20	Revise and finalize subpoenas for issuance (.4); Prepare for and attend telephone call with Kelly Locke (2.3) (NO CHARGE); Telephone call with Interactive Brokers regarding margin accounts (.4); Review Order of recusal and Williams' Reply in Support of Motion for Clarification (.4).	J. Maglich	1.20	SECL4	\$354.00
05/05/20	Review Mr. Williams' "reply brief," supporting documents, in connection with his emergency application to release funds, unfreeze accounts (1.0). Review, analyze, confer with J. Maglich regarding sua sponte court order regarding recusal based on order to show cause as to Greenberg Traurig, new judge assignment (.20). Review, approve third party subpoenas for documents (.20). Emails, discuss with J. Maglich, Mr. Williams' residency issues, assets in Sarasota and Puerto Rico in light of Mr. Williams' claims regarding his departing Puerto Rico (.20).	M. Kornfeld	1.60	SECL4	\$700.00
05/06/20	Analyze related case order and track two notice and related local rule (.2) [NO CHARGE]; prepare summary of requirements for counsel under local track two rule (.2) [NO CHARGE].	R. Wilt	0.00	SECL4	\$0.00
05/06/20	Review, approve, third-party subpoenas (.10). Emails, calls with J. Maglich regarding meet and confer, certifications, motion for turnover, overall strategy (1.0).	M. Kornfeld	1.10	SECL4	\$481.25
05/07/20	Confer with Receiver regarding correspondence from Commission regarding disgorgement calculations and draft response (2.0); Review, analyze documents from ScotiaBank and confer regarding same with forensic professionals (.5).	J. Maglich	2.90	SECL4	\$855.50

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Date	Description	Professional	Hours	Task	Amount
05/08/20	Review draft case management report, prepare and transmit revisions to Stephanie Moot, and participate in case management conference (1.5); Continue reviewing financial records and draft correspondence to Stephanie Moot regarding Defendant's Reply in Support of Motion for Clarification (.6); Review status of subpoenas to BB&T and Vantage (.2); Confer with Hal Levenberg regarding status of tasks and next steps (.4).	J. Maglich	2.70	SECL4	\$796.50
05/08/20	Analyze incoming order on defendant's motion for clarification and motion to modify asset freeze order (NO CHARGE).	R. Wilt	0.60	SECL4	\$0.00
05/08/20	Emails with J. Maglich, review, analyze Court's decision and Order on emergency application for relief, order to show cause, next steps relating to same, meet and confer, call with SEC and counsel for Mr. Williams (1.0). Emails, direct J Maglich regarding case management report (.20).	M. Kornfeld	1.20	SECL4	\$525.00
05/11/20	Communicate with Ms. Dessiree Japay regarding status of Quickbook accounts for receivership entities (.6).	R. Wilt	0.60	SECL4	\$117.00
05/11/20	Review and analyze Order Granting and Denying In Part Motion for Clarification and confer with Mark Kornfeld regarding same (.8); Review appraisal for Banco Espanol building (.4); Review voicemail and summary of call with Anthony Bacopoulos from Kinetic Tech (.2); Review final case management report and confer with Christine Nestor regarding same (.2); Confer with Luke Cass regarding status of computers in Puerto Rico (.2); Exchange correspondence with counsel for Thomas Frey regarding acceptance of service of subpoena (.2); Telephone call and correspondence with Michael Fruchter regarding Englander account documents (.3); Draft correspondence to counsel for Ian Quetglas regarding acceptance of service of subpoena (.1).	J. Maglich	2.40	SECL4	\$708.00
05/12/20	Revise fee application and related exhibits (NO CHARGE).	R. Wilt	1.00	SECL4	\$0.00

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Date	Description	Professional	Hours	Task	Amount
05/12/20	Call with J. Maglich regarding meet and confer with Mr. Williams' counsel and the SEC to discuss the Court's recent order regarding asset freeze, living allowance; Receiver's motion for turnover, case management order (.50). Confer with J. Maglich regarding third-party subpoenas, claims process, third-party litigation (.50).	M. Kornfeld	1.00	SECL4	\$437.50
05/12/20	Review documents from Englander and exchange correspondence with Michael Fruchter regarding same (.3); Confer with investor R.M. regarding status (NO CHARGE).	J. Maglich	0.30	SECL4	\$88.50
05/13/20	Revise fee application and related exhibits (NO CHARGE).	R. Wilt	1.90	SECL4	\$0.00
05/13/20	Draft certificate of interested persons and corporate disclosure statement including all parties, attorneys and potential victims.	R. Wilt	0.90	SECL4	\$175.50
05/13/20	Exchange correspondence with Steve Malina regarding transfer of Banco Popular funds, motion for turnover, and conferral regarding living expenses and attorney's fees (.2); Review and finalize subpoena to Vantage retirement (.1); Exchange correspondence with Banco Popular regarding transfer of funds to Greenberg Traurig pursuant to Court's order (.3); Review and respond to correspondence from J.S. regarding claims process (.1); Review and prepare fee application for filing on 5/15 (1.5) (NO CHARGE).	J. Maglich	0.70	SECL4	\$206.50
05/13/20	Calls, emails, direct J. Maglich regarding motion for turnover; meet and confer with SEC, Mr. William's counsel on Orders of the Court (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
05/13/20	Review, revise, comments, calls, emails with J Maglich regarding turnover motion, parties meet and confer, GT correspondence (2.5). Review, direct counsel regarding third party subpoenas (.10).	M. Kornfeld	2.60	SECL4	\$1137.50

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Date	Description	Professional	Hours	Task	Amount
05/14/20	Revise fee application and fee exhibit (.50) (NO CHARGE).	R. Wilt	0.50	SECL4	\$0.00
05/14/20	Continue revising and preparing Fee Application and associated invoices for filing (4.5) (NO CHARGE).	J. Maglich	4.50	SECL4	\$0.00
05/15/20	Telephone and email correspondence with Commission and counsel for Williams regarding proposed budget for living expenses and attorney's fees and Receiver's initial fee application (1.3); Revise and finalize Receiver's interim fee application, identify and gather exhibits, and prepare for filing (2.9) (NO CHARGE).	J. Maglich	1.30	SECL4	\$383.50
05/18/20	Confer with Receiver and counsel for Jamene Pinnow regarding subpoena response and extension (.2); Review Commission's Notice of Pendency of Actions and Certificate of Interested Persons (.1).	J. Maglich	0.30	SECL4	\$88.50
05/19/20	Review draft settlement documents provided by Commission and confer with Mark Kornfeld regarding same (.8); Revise and finalize Certificate of Interested Persons (.4); Confer with Receiver and forensic professionals regarding imaging of computers from Puerto Rico (.3).	J. Maglich	1.50	SECL4	\$442.50
05/19/20	Review, comments to/with J Maglich regarding proposed stipulation, consent (.50). Emails with J Maglich regarding Williams' documents, analysis of same (.10).	M. Kornfeld	0.60	SECL4	\$262.50
05/20/20	Emails, confer with J Maglich regarding document review and analysis of Williams computers, motion for turnover, motion to withdraw, impact of counsel change on timing, third party claims, liquidation plan to be filed next steps (1.0).	M. Kornfeld	1.00	SECL4	\$437.50

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05/20/20	Review Order Appointing Receiver and begin drafting Liquidation Plan (2.7); Revise and finalize Certificate of Interested Parties and Notice of Pending Cases and prepare for filing (.3); confer with Steve Malina and K. Flores from Banco Popular regarding status of transfer of Pyram King funds (.4); telephone cal with Bill Price regarding tax filing and reporting obligations and documents still needed for analysis (.4); review correspondence from Joe Picone regarding follow-up from 5/15 call on Williams assets and confer regarding filing of notice of compliance regarding Court's 5/8 order (.3).	J. Maglich	4.10	SECL4	\$1209.50
05/21/20	Review, analyze memo, for call with J Maglich, Z Foster regarding liquidation plan, motion for turnover, third party claims analysis, Lendacy shareholders and non Lendacy shareholders, Williams' counsel transition (1.0). Draft email regarding timeline, claims process, strategy (.80).	M. Kornfeld	1.80	SECL4	\$787.50
05/21/20	Confer with Stephanie Moot and Christine Nestor regarding case status and Greenberg trust account (.2).	J. Maglich	0.20	SECL4	\$59.00
05/22/20	Emails, confer, analyze, with J. Maglich preparation of a liquidation plan, third party claims, review of Williams' documents secured from Puerto Rico, follow up on third party subpoenas to individuals and entities that received potentially fraudulent transfers, establishment of an equitable claims process (2.0); review and analyze the sale of gold, and preservation of same, the liquidation of foreign assets, motion for turnover, call with the SEC, tracing assets (.80).	M. Kornfeld	2.80	SECL4	\$1225.00
05/22/20	Telephone call with Christine Nestor and Stephanie Moot regarding Williams' counsel's withdrawal, asset recovery status, Interactive Brokers, and other pending matters (.5); Confer with Hal Levenberg regarding preparation of investor analyses and sources/uses of funds for receivership entities (.3).	J. Maglich	0.80	SECL4	\$236.00

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Date	Description	Professional	Hours	Task	Amount
05/26/20	Emails regarding subpoenas, Jeffrey O Neil (.10); Correspondence regarding Banco Popular, with Mr. Williams' lawyer (.10); emails, analysis with J. Maglich regarding motion for turnover (.20).	M. Kornfeld	0.40	SECL4	\$175.00
05/26/20	Review, analyze memo from counsel for J.F. and telephone call with J.F. counsel regarding status of Interactive Brokers accounts (1.2); Confer with Karen Wollitz regarding status of storage units (NO CHARGE); Confer with counsel for Williams regarding transfer of Banco Popular check and withdrawal (.2); Exchange correspondence with Philip Handin regarding claims process and pre-receivership debt (.3); Confer with Mark Kornfeld and Rebecca Wilt regarding BMO Harris accounts (.1); Exchange correspondence with Zephyr Investment principal regarding status and documents (.2); Telephone call and correspondence with attorney Todd Merer regarding Jamene Pinnow subpoena response (.3).	J. Maglich	2.30	SECL4	\$678.50
05/27/20	Review, respond, emails with J. Maglich regarding subpoenas to Zephyr, Yip work product, consent judgment discussions with SEC (.50); Analyze, draft, disseminate memo and emails to counsel regarding strategies, deadlines, action items relating to new counsel for Mr. Williams, turnover motion, escrowed funds at Williams' prior counsel, vTrader, subpoenas to Williams' insiders transferees, sale of bank building, tax obligations, ongoing, necessary document review and analysis, a liquidation plan for assets, development of a claims process, Lendacy and non-Lendacy borrowers, potential third-party litigation claims against other transferees/recipients of ill gotten gains (2.5).	M. Kornfeld	3.00	SECL4	\$1312.50

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Date	Description	Professional	Hours	Task	Amount
05/27/20	Review motion for withdrawal and confer with Mark Kornfeld regarding funds in trust at Greenberg Traurig (.3); Continue drafting Liquidation Plan (2.6); Review notice of intent to impose claim on security deposit and draft correspondence to landlord for Sarasota apartment for Kinetic Investment Group intern (.7); Review Commission's proposed bifurcation and settlement documents and confer with Mark Kornfeld regarding same (.4); Confer with Mark Kornfeld and Luke Cass about status of appraisals for bank building and strategize regarding sales process (.2).	J. Maglich	4.20	SECL4	\$1239.00
05/28/20	Review, analyze, email comments to/from J. Maglich regarding court-ordered liquidation plan for June 6 (1.0); emails, confer with J. Maglich regarding call with Mr. Williams' new counsel, motion for turnover, discussions with SEC, escrow monies currently with Williams' former counsel, Mr. Williams' request for living expenses, legal defense costs (.90); Emails, confer with J. Maglich regarding Mr. Williams' computers, review, analytics relating to same (.10).	M. Kornfeld	2.00	SECL4	\$875.00
05/28/20	Continue drafting Liquidation Plan (2.4); Telephone call and correspondence with Williams' new counsel regarding case status and introduction and confer with Christine Nestor regarding same (.4); Review and finalize consent judgment for Receivership Entities and review Commission's Motion for Entry of Judgment (.3).	J. Maglich	3.10	SECL4	\$914.50
05/29/20	Review Ian Quetglas response to subpoena and draft correspondence to counsel regarding same (.3); Confer with Mark Kornfeld and analyze potential third-party claims, claims process, and outstanding subpoenas (.4); Confer with Kristie Carrubi from Banco Popular regarding clearing of cashier's check and status of accounts (.2); Revise Liquidation Plan and confer with Mark Kornfeld regarding same (1.2).	J. Maglich	2.10	SECL4	\$619.50

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Date	Description	Professional	Hours	Task	Amount
05/29/20	Review, tend to consent judgment (.10); review, emails, comments to, calls with J. Maglich regarding Liquidation Plan, claims process, third-party claims, offsets, margin, payoffs, second interim report, turnover motion (2.0) Review, comments to J. Maglich regarding Quetglas response to the subpoena (.10).	M. Kornfeld	2.20	SECL4	\$962.50
06/01/20	Review Order on defendant's response to application for allowance and payment of professionals' fees to prepare for banking administration as to same (.1) [NO CHARGE].	R. Wilt	0.00	SECL4	\$0.00
06/01/20	Review, analyze correspondence from Mr. Williams' counsel and Commission regarding living expenses (.10); Telephone call with Commission regarding case status (.20).	J. Maglich	0.30	SECL4	\$88.50
06/02/20	Per J. Maglich, update certificate of service (.2) [NO CHARGE]; revise notice of compliance (.1) [NO CHARGE].	R. Wilt	0.00	SECL4	\$0.00
06/02/20	Review comments to draft liquidation plan (.50). Email memo to/from J. Maglich regarding VTrader, tax analysis, Second Interim Report, meeting with counsel for and with Mr. Williams, outstanding issues relating to margin balances, transfer of Interactive Brokers ("IA") accounts, offsets due to lending by Legacy, gold liquidation motion (1.0). Review approve motion of notice of compliance (.10).	M. Kornfeld	1.60	SECL4	\$700.00
06/02/20	Review and revise Liquidation Plan for filing (1.3); Telephone and email correspondence with Mr. Williams' counsel and Commission regarding request for living expenses (.8); Review documents from BMO Harris regarding receivership bank accounts (.8); Draft notice of compliance with Court's May 8, 2020 Order and confer with Receiver regarding same (.7).	J. Maglich	3.60	SECL4	\$1062.00
06/03/20	Prepare request to Clerk for filing and service of Receiver's Notice of Compliance (.1).	R. Wilt	0.10	SECL4	\$19.50

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Date	Description	Professional	Hours	Task	Amount
06/03/20	Calls, emails with J. Maglich regarding establishment of claims determination procedures, alternative methods, the potential approaches necessitated by differences between Lendacy and non Lendacy investors, net winners analysis, overall equities (2.6) Review analyze work product relating to claims procedures (1.1).	M. Kornfeld	3.70	SECL4	\$1618.75
06/03/20	Revise and finalize Notice of Compliance regarding Court's May 8, 2020 Order and prepare for filing (.4); Review Defendant's Response to Motion for Payment of Fees (.2); Exchange email correspondence with Defendant's counsel regarding un-freezing of Banco Popular accounts and review Court's May 8, 2020 Order regarding same (.3); Review correspondence from Eric Quetglas and attached declaration (.2); Exchange correspondence with Defendant's counsel and Commission regarding proposal and procedure for request for living expenses (.3); Review and formulate investor claim analyses and confer with Receiver regarding same (1.5); Confer with ServisFirst Bank regarding establishment of escrow account (.1).	J. Maglich	3.00	SECL4	\$885.00
06/04/20	Prepare request to Clerk for filing and service of Plan (.3).	R. Wilt	0.30	SECL4	\$58.50
06/04/20	Revise and finalize Liquidation Plan and prepare for filing (.5); Review status of Quetglas response and confer with Receiver as to next steps relating to same (.2); Review and revise Joint Motion to Modify Asset Freeze and exchange correspondence with counsel for Mr. Williams and Commission regarding same (.6); Prepare third-party subpoenas to individuals and third-party legal and financial professionals and confer with Receiver regarding same (1.4); Telephone call and correspondence with Hal Levenberg regarding questions and review of investor claim analyses (.5).	J. Maglich	3.20	SECL4	\$944.00

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Date	Description	Professional	Hours	Task	Amount
06/04/20	Confer with J. Maglich, review, analyze Lendacy outstanding loans, interest, margin, non-Lendacy investor losses, and related Yip work product (1.2). Email memo, analysis, confer with J. Maglich, Z. Foster regarding establishment of claim determination and objection processes (2.0). Emails, confer with J. Maglich regarding letter to Mr. Williams counsel (.10). Review, comment, approve joint motion to modify freeze order (.10). Review, comment, approve proposed liquidation plan (.10).	M. Kornfeld	3.50	SECL4	\$1531.25
06/05/20	Draft and file Notice of Appearance (.1); review Defendant Williams's motion for order modifying asset freeze order (.1) [NO CHARGE].	R. Wilt	0.10	SECL4	\$19.50
06/05/20	Draft correspondence to Eric Quetglas regarding subpoena response and further questions (.2); Review revisions to Joint Motion to Modify Asset Freeze and Proposed Order and exchange correspondence regarding same (.3); Continue claims process analysis and draft memorandum to file regarding methods and recommendations (1.6); Exchange correspondence with T. Merer regarding his client's subpoena response (.2); Review correspondence from investor and confer with Receiver regarding same (.2).	J. Maglich	2.50	SECL4	\$737.50
06/05/20	Emails with J. Maglich regarding correspondence with Mr. Williams' counsel (.10). Review, analyze, review comments to motion to court, bank correspondence (.50).	M. Kornfeld	0.60	SECL4	\$262.50
06/08/20	Continue analysis, review of expected investor claims (1.5); Draft memorandum for Receiver regarding recommendations for claims procedure (3.4); Revise and finalize subpoenas to Interactive Brokers and I.P. for issuance (.3).	J. Maglich	5.20	SECL4	\$1534.00

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Date	Description	Professional	Hours	Task	Amount
06/09/20	Continue drafting memorandum regarding claims process and procedure, analyze strategy regarding potential recoveries and confer with Receiver regarding same (1.8); Review forensic analyses of sources and uses of funds for receivership entities and prepare memorandum regarding potential third-party litigation (clawback, common law) claims (2.8).	J. Maglich	4.60	SECL4	\$1357.00
06/09/20	Review, analyze, revise, deliver substantive comments to J. Maglich regarding memos relating to litigation margin balances of Interactive Brokers, potential third-party claims, proposed methods for claims, objections and eventual distributions processes (2.5). Review, comments to draft subpoenas to multiple third-parties (.20).	M. Kornfeld	2.70	SECL4	\$1181.25
06/09/20	Confer with J. Maglich regarding review of case law regarding various distribution methods (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
06/10/20	Exchange correspondence with Mr. Williams' counsel and Banco Popular regarding order unfreezing accounts and confer with ServisFirst Bank regarding same (.3); Review Interactive Brokers and BOA/ML statements and correspondence from Interactive Brokers and prepare memorandum regarding status of margin account x2028 at Interactive Brokers and relationship to other accounts at Interactive Brokers (2.6).	J. Maglich	2.90	SECL4	\$855.50

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Date	Description	Professional	Hours	Task	Amount
06/10/20	Memo, emails, confer with, direct counsel throughout day regarding ongoing overall strategies timeline, and action items concerning the preparation and service of third-party subpoenas (.10), anticipated motion practice (.20), sub judice motions for turnover (.10), investigation and possible claims against Williams, Ida P, relating to property In Puerto Rico if purchased with investor money (1.0), timing and processes for sale of gold and other small assets (.20), Timing and process for repayment of Interactive margin balance (.20), administration as to the transfer of non-Kinetics managed investor accounts (.20), as well as the transfer of funds and all sale proceeds and escrowed monies to ServisFirst (.20), draft, comments and analysis of potential investor and creditor claims methodologies processes, the Receiver's Second Interim Report (.10), analysis, prioritization, assessment of potential third party litigations research and analysis. (.40).	M. Kornfeld	2.70	SECL4	\$1181.25
06/11/20	Review, analyze case law, claw back actions, recent 11th Circuit case law relating to Receiver, bankruptcy claims (2.0). Emails with J. Maglich regarding freezing order; discussions with counsel for Mr. Williams relating to same (.20).	M. Kornfeld	2.20	SECL4	\$962.50
06/12/20	Review clawback, insolvency fraudulent transfer cases, timeline for analysis, follow up with J. Maglich regarding "net winners," risk assessment (1.0). Review memos relating to repayment of margin, litigation claims and objections process (.50).	M. Kornfeld	1.50	SECL4	\$656.25

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Date	Description	Professional	Hours	Task	Amount
06/13/20	Email memo and analysis and requests of counsel to J. Maglich regarding receivership entities tax obligations and reserves, potential claims under the Florida Uniform Fraudulent Transfer Act, potential need for insolvency determination as to timing and import, managed investor accounts and strategy as to closure and margin obligation, as Interactive Brokers timing and strategy relating to payoff as to same, Receiver set asides/reserves, Defendant Williams' ongoing communications regarding living allowances, and budget requests, response to investor inquiry regarding timing of honoring redemption requests, potential that receivership entity investor assets were used to purchase real property in name of defendants girlfriend, update on all third party subpoenas, sale of gold, sale of bank in old San Juan, litigation analysis, net winners fictitious profits transfers, overall case administration, demands for Lendacy loans to be repaid by former employee non-investors, tracing and preparation of Second Interim Report, liquidation plan (2.0).	M. Kornfeld	2.00	SECL4	\$875.00
06/15/20	Telephone and email correspondence with Stephanie Moot and Christine Nestor regarding Williams and budget request (.5); Confer with Hal Levenberg regarding potential accounts at BB&T bank (.4).	J. Maglich	0.90	SECL4	\$265.50

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Date	Description	Professional	Hours	Task	Amount
06/15/20	Emails, confer with J. Maglich regarding and discussions with the Commission relating to the Court order modifying asset freeze, transfer of assets to Receiver by Mr. Williams' former law firm, Mr. Williams' application request for legal fees and living allowances, potential real property purchased with receivership entity assets, subpoenas to requisite banking authorities for necessary information, Mr. Williams' purported borrowings and outstanding balances on loans and Receiver approach to same (1.0). Review, analyze, comment on correspondence to and from third-parties regarding responses to Receiver's subpoena (.50). Review, analyze memos and advice with J. Maglich regarding motions to be filed regarding claims, objections and distributions methodologies, transfer of assets and margin balances at Interactive Brokers and transfer of non-receivership assets to individuals with court approval and authorization (1.0).	M. Kornfeld	2.50	SECL4	\$1093.75
06/16/20	Fact investigation to locate a current address in Puerto Rico for Ida Passalacqua (.40) [NO CHARGE].	G. Ross	0.00	SECL4	\$0.00
06/16/20	Review subpoena responses from Thomas Frey and exchange communications with Mr. Frey's counsel regarding same (.4); Review correspondence from Bill Price regarding tax issues (.2); Exchange correspondence regarding status of document production from Jamene Pinnow (.2); Review status of service of I.P. and strategize regarding next steps (.2).	J. Maglich	1.00	SECL4	\$295.00

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Date	Description	Professional	Hours	Task	Amount
06/16/20	Review, confer with J. Maglich regarding Thomas Frey response to subpoena and Receiver's response to same (.20). Call with J. Maglich regarding correspondence from investor counsel regarding individual assets being held by Receiver (.20). Emails, advise counsel regarding service of subpoena on Ida P., apparent abandonment of the property in Puerto Rico possibly purchased with investor funds (.20). Call with J. Maglich regarding FUFTA claims, dated investor "net winners," motions to pay off margin, claims processes, and transfer of non-receivership currently with Receiver previously managed by Mr. Williams, service of subpoenas, 6-17 call with Mr. Williams' counsel and Commission regarding proposed legal fees budget and living allowances, Mr. Williams' partner Mr. Frye, queries from investors on redemption requests (1.0).	M. Kornfeld	1.60	SECL4	\$700.00
06/17/20	Review summary of assignments for team members(.2); prepare calendar of events and deadlines for Receiver (.4) (NO CHARGE).	R. Wilt	0.00	SECL4	\$0.00

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Date	Description	Professional	Hours	Task	Amount
06/17/20	Multiple emails, calls, lengthy email memo to counsel regarding overall case administration, third-party subpoena responses (.10), next steps for sale of old San Juan historic bank building and motion to approve broker dealer (.10), preparation of purchase and sale agreement (.10), tax counsel for 2019 and going forward for multiple receivership entities (.20), need for an insolvency opinion (.10), motions to transfer managed account non Kinetic funds assets out of Receivership control and necessary supporting documentation In support of same (.30), ongoing investigation and subpoenas with regards to possible purchase of real property in San Juan with receivership entity funds (.20), items to be put up for sale and liquidation (.10), clawback claims under Florida Uniform Fraudulent Transfer Act, older investor redemptions (.30), accounting and auditing services analysis (.10), evaluation of third party litigation claims, motion regarding claims determination and objections process and methodology (.30), discussions with commission and Williams regarding living allowance, submission of legal fee, budgets, administration of same (.20).	M. Kornfeld	2.20	SECL4	\$962.50
06/17/20	Emails with J. Maglich, advise regarding subpoena to witness Quetglas (.10). Emails, confer with J. Maglich regarding response to subpoena, call with T. Frey counsel, production of documents (.20). Emails, confer with J. Maglich regarding repayment of margin, calls, subpoena, documents from Interactive Brokers, review same (.50). Emails, confer with J. Maglich regarding discussions, communications, from, with Mr. Williams' counsel, J.F. counsel (.20). Review, analyze L42 flow of funds work product (.10).	M. Kornfeld	1.10	SECL4	\$481.25

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Date	Description	Professional	Hours	Task	Amount
06/17/20	Continue analysis, draft of motion to approve claims process (2.4); Telephone call with Dan Newman regarding subpoena to Thomas Frey and Frey Financial and draft memorandum to file regarding same (.8); Telephone call and correspondence with Williams' counsel and Commission regarding proposed budget and mediation (.4); Telephone call with Interactive Brokers regarding subpoena response and draft memorandum to file regarding same (.4); Review Flow of Funds for LF42 prepared by Hal Levenberg (.3); Review status of Puerto Rico computers and exchange correspondence with Williams' counsel regarding missing hard drive (.3).	J. Maglich	4.60	SECL4	\$1357.00
06/18/20	Emails, confer with J. Maglich regarding Frey, Frey Financial (.10). Review, analyze recent subpoenas (.10). Emails, confer with J. Maglich regarding strategy, motions, VTrader, Second Interim Report (1.0).	M. Kornfeld	1.20	SECL4	\$525.00
06/18/20	Review and analyze Interactive Brokers statements and memorandum from J.F. counsel regarding Interactive Brokers accounts (1.2); Begin drafting motion to potentially approve liquidation of Interactive Brokers accounts and return of non-receivership accounts to J.F. (1.8); Confer with counsel for J.F. regarding pre-2014 statements (.1).	J. Maglich	3.10	SECL4	\$914.50
06/19/20	Review, analyze correspondence regarding asset freeze, Mr. Williams' requests for fees, living allowances, mediation (.20). Review, analyze methodologies and timeline for claims process, claims determinations, objections, reserves (.80).	M. Kornfeld	1.00	SECL4	\$437.50

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Date	Description	Professional	Hours	Task	Amount
06/19/20	Telephone call with Commission regarding status of subpoena response from Quetglas (.2); Exchange correspondence with Williams' counsel regarding motion for turnover (.2); Exchange correspondence with Commission and Williams' counsel regarding mediation (.2); Revise third-party subpoenas to legal, accounting, and real estate entities (1.3).	J. Maglich	1.90	SECL4	\$560.50
06/22/20	Calls, emails with J. Maglich regarding calls with Mr. Williams' counsel regarding proposal to resolve turnover motion (.50). Emails with J. Maglich regarding motion practice, calls with Mr. Williams' counsel, SEC, investor counsel, responses to investors, motion, timing, process, methodology for claims determination, objections, reserves (1.0).	M. Kornfeld	1.50	SECL4	\$656.25
06/22/20	Telephone and email correspondence with Mr. Williams' counsel regarding Motion for Turnover and confer with Receiver regarding same (.5); confer with Todd Merer regarding Jamene Pinnow production (.3).	J. Maglich	0.80	SECL4	\$236.00
06/23/20	Travel to Sarasota and inventory storage units to prepare list and take pictures for detail of possible furnishings and items to be potentially sold or donated from the Kinetic Sarasota office which was closed by the Receiver. [5.0 HOURS BILLED AT 50% FOR TRAVEL TIME = 2.5 HOURS].	K. Wollitz	2.50	SECL4	\$312.50
06/23/20	Review, analyze emails from Williams counsel, communications with SEC regarding expenses, mediation (.50). Review investor correspondence, prepare substantive issues for draft letter to investors, regarding redemption requests (1.0). Emails, direct regarding motions relating to Interactive Brokers, claims determinations, potential transfer of managed accounts (.50).	M. Kornfeld	2.00	SECL4	\$875.00

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Date	Description	Professional	Hours	Task	Amount
06/23/20	Review J.F. and T.F. Interactive Broker accounts and participate in call with counsel for J.F. regarding same (1.0); telephone call with Hal Levenberg regarding status and relationship of J.F. and T.F. Interactive Brokers accounts (.7); continue drafting Motion to Approve Payment of Margin Obligations and Return of Non-Investor Accounts (1.8); review Court's Order on payment of living expenses and coordinate compliance with Order (.2).	J. Maglich	3.70	SECL4	\$1091.50
06/24/20	Review, revise, comments to draft motion regarding payment of margin, transfer of cash to ServisFirst, severance of investor accounts not part of receivership estate (1.5). Emails with Z. Foster regarding VTrader analysis (.10). Review, advise J. Maglich regarding ongoing discussions between Commission and Mr. Williams' counsel regarding legal fees, budgeting, administration, mediation and costs to the receivership estate (.20).	M. Kornfeld	1.80	SECL4	\$787.50
06/24/20	Exchange correspondence with Carlos Provencio regarding Interactive Brokers subpoena (.2); confer with R. Wilt and M. Kornfeld regarding potential real estate brokers for sale of Banco Espanol building and review third-party offer (.3) review proposal from Mr. Williams' counsel regarding Motion for Possession and confer with Receiver regarding same (.5); review correspondence from Christine Nestor regarding Williams' counsel's proposed budget (.1).	J. Maglich	1.10	SECL4	\$324.50
06/25/20	Communicate with Jonathan Zunz and Kathy Varnater at ServisFirst Bank regarding court ordered monthly payments to Williams.	R. Wilt	0.30	SECL4	\$58.50
06/25/20	Emails, advise J. Maglich, Z. Foster regarding discussions with Mr. Williams and counsel regarding stipulation and settlement discussions and issues with regards to motion for turnover, timing, waivers, objections to sale (1.0).	M. Kornfeld	1.00	SECL4	\$437.50

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Date	Description	Professional	Hours	Task	Amount
06/26/20	Emails, confer with J. Maglich regarding motion to repay margin, motion for turnover discussion (1.0). Review, comments to third-party subpoenas (.10).	M. Kornfeld	1.10	SECL4	\$481.25
06/26/20	Continue drafting Motion to Approve Claims Process (2.1); revise and finalize subpoenas to BOA/ML and BB&T and prepare for service (.4); exchange correspondence with Interactive Brokers regarding account statement production (.2); exchange correspondence with TIG Insurance Group regarding receipt of Order Appointing Receiver and compliance (.2); draft correspondence to SRT Securities regarding additional document production (.1).	J. Maglich	3.00	SECL4	\$885.00
06/27/20	Emails, analysis, direct and advise J. Maglich regarding cash balances at Interactive Brokers, strategic approach to marshaling assets, claims determinations, objections, investor managed accounts, repayment of margin, 2014 transfer of margin and deposit of securities, and creation of sub accounts, review of accounting files, VTrader, BOA/Merrill Lynch transfers to Interactive (2.0).	M. Kornfeld	2.00	SECL4	\$875.00

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Date	Description	Professional	Hours	Task	Amount
06/29/20	Analysis and full summary emails, and directives memo to, and confer with, J .Maglich and rest of Receiver legal team regarding motions to pay off Interactive Brokers outstanding margin, transfer of remainder monies to ServisFirst, motion to sever certain investor managed accounts; ongoing discussions with Mr. Williams' counsel regarding motion for turnover; issuance of third-party subpoenas for information relating to Merrill Lynch, VTrader, Interactive Brokers, transfers of balances and margin accounts; process for sale of building in Old San Juan, required counsel, timeline, and objectives; the sale of gold and deposit of proceeds into receivership accounts; need for forensic supporting documents and declarations relating to margin and other investor accounts; ongoing investigation into potential ownership of real property by Mr. Williams' girlfriend and whether said property was paid for by investor funds; response to investor queries regarding redemption requests; working with banks and counsel to facilitate compliance with the Court's Order modifying the asset freeze and providing Mr. Williams with living expenses; claims determination methodology and motion to court relating to same; preparation of Receiver's Second Interim Report; potential clawback, malpractice, breach of duty claims against third-parties (2.0).	M. Kornfeld	2.00	SECL4	\$875.00
06/29/20	Review, analyze, provide comments, direction to, with J. Maglich regarding language for stipulation and order for turnover of real property by Mr. Williams to Receiver and extension of time to otherwise respond to the pending motion (1.0). Emails, analyze confer with J. Maglich regarding draft of motion to seek authority to repay margin and related issues arising out of initial margin transfers to Interactive Brokers in 2014, and creation of certain sub accounts (.50).	M. Kornfeld	1.50	SECL4	\$656.25

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Date	Description	Professional	Hours	Task	Amount
06/29/20	Confer with Williams' counsel regarding extension to respond to motion for turnover (.2); Revise Motion for Approval of Repayment of Margin and Return of Investor Accounts and confer with Mark Kornfeld regarding same (.9); Revise Motion for Approval of Claims Process (1.1); Draft correspondence to S.H. regarding previous correspondence and inquiry (.5); Confer and direct production of documents from Interactive Brokers and Plum Advisors (.3).	J. Maglich	3.00	SECL4	\$885.00
06/30/20	Review email from J. Torrens-Dávila regarding Consultiva's request for confidentiality agreement covering client portfolio and related reporting data, and confer regarding the same with M. Kornfeld and J. Maglich regarding response and Interactive Brokers production.	L. Cass	0.50	SECL4	\$190.00
06/30/20	Exchange correspondence with Consultiva's counsel regarding subpoena response (.2); Exchange correspondence with counsel for Transamerica and SRT Securities regarding document production (.2); Confer with Zac Foster regarding VTrader investigation and relationship with Williams and Kinetic (.4).	J. Maglich	0.60	SECL4	\$177.00

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SECL4 FEE SUMMARY:

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Mid-level Associate	Zachary S. Foster	34.50	\$229.67	\$7,923.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Nichole M. Perez	10.60	\$27.59	\$292.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Junior Associate	Jessica K. Vander Velde	18.60	\$205.27	\$3,818.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Legal Technical	Glenn Ross	0.00	\$0.00	\$0.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Mark A. Kornfeld	152.00	\$437.50	\$66,500.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Admin	Karen Wollitz	2.50	\$125.00	\$312.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Jordan D. Maglich	202.40	\$288.44	\$58,380.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Rebecca S. Wilt	50.00	\$154.83	\$7,741.50

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Mid-level Associate	Bradley W. Crocker	23.30	\$165.71	\$3,861.00

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TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Luke V. Cass	5.20	\$204.62	\$1,064.00
TOTAL		499.10		\$149,893.50

FEE SUMMARY:

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Zachary S. Foster	0.00	\$0.00	\$0.00
Zachary S. Foster	5.30	\$0.00	\$0.00
Zachary S. Foster	46.30	\$265.00	\$12,269.50
Nichole M. Perez	9.10	\$0.00	\$0.00
Nichole M. Perez	1.50	\$195.00	\$292.50
Jessica K. Vander Velde	2.00	\$0.00	\$0.00
Jessica K. Vander Velde	32.30	\$230.00	\$7,429.00
Glenn Ross	0.00	\$0.00	\$0.00
Mark A. Kornfeld	187.00	\$437.50	\$81,812.50
Karen Wollitz	2.50	\$125.00	\$312.50
Jordan D. Maglich	4.50	\$0.00	\$0.00
Jordan D. Maglich	229.20	\$295.00	\$67,614.00
Rebecca S. Wilt	0.00	\$0.00	\$0.00
Rebecca S. Wilt	10.30	\$0.00	\$0.00
Rebecca S. Wilt	87.60	\$195.00	\$17,082.00
Bradley W. Crocker	9.00	\$0.00	\$0.00
Bradley W. Crocker	17.80	\$270.00	\$4,806.00
Luke V. Cass	4.00	\$0.00	\$0.00
Luke V. Cass	11.90	\$380.00	\$4,522.00
TOTAL	660.30		\$196,140.00

Total Fees:**\$196,140.00**

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DISBURSEMENTS

04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Corp Compliance, Global Screen, Muenchen 80331 DE on 3/17/2020	\$35.67
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to M.Sayre, Seattle WA on 3/16/2020	\$17.56
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Legal Dept, Plum & Company, Sarasota FL on 3/16/2020	\$9.65
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to I.Quetglas, Guaynabo PR on 3/12/2020	\$25.03
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Corp Compliance, Scotiabank de Puerto Rico, San Juan PR on 3/13/2020	\$22.13
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Legal Dept, Merrill Lynch, New York NY on 3/13/2020	\$13.20
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Legal Dept, Merrill Lynch, New York, NY on 3/13/2020	\$13.20
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Corp Compliance FlexFunds, Miami FL on 3/13/2020	\$10.49
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to R.Bishop, Brooklyn NY on 3/13/2020	\$16.11
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to D.Moe, Sarasota FL on 3/13/2020	\$12.55
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Legal Dept, Zephyr Aerospace, San Juan PR on 3/13/2020	\$22.13
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delviery to Corp Compliance, Universidad del Sagrado Corazo, San Juan PR on 3/17/2020	\$22.13
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Corp Compliance, Finlink Inc, Healdsburg CA on 3/17/2020	\$17.88
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to R.Corbett, Tampa FL on 3/17/2020	\$12.55
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to K.Pufahl, Sarasota FL on 3/17/2020	\$9.65
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Delivery to Corp Compliance, Silexx Financial Systems, Sarasota FL on 3/17/2020	\$9.65

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04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Return delivery from 3457 Midnight Pass Road, Sarasota FL on 3/13/2020	\$7.94
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Return from Fideicomiso de Conservacion, Old San Juan PR on 3/19/2020	\$24.49
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72120, DATE: 3/21/2020; Additional fees for package on 3/12/2020	\$2.90
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72130, DATE: 3/28/2020; Returned from Seattle WA on 3/19/2020	\$10.93
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72130, DATE: 3/28/2020; Return from I.Quetglas, Guaynabo PR on 3/20/2020	\$24.49
04/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72130, DATE: 3/28/2020; Return from Brooklyn NY on 3/23/2020	\$8.96
04/09/2020	VENDOR: TransUnion Risk & Alternative Data Solut, INVOICE #: 565050-202003-1, DATE: 4/1/2020 Billing Period 03/01/20 - 03/31/20	\$187.44
04/16/2020	VENDOR: Jose A. Roman Maradiaga, INVOICE #: 04142020, DATE: 4/14/2020 - Appraisal Fee	\$1,500.00
04/22/2020	VENDOR: Pacer Service Center INVOICE#: 4735820-Q12020-90 DATE: 4/22/2020 1st Quarter Charges Online Research PACER	\$15.50
04/24/2020	VENDOR: Family Moving, LLC, INVOICE #: 20200424, DATE: 4/24/2020 - Moving Charges - Sarasota Office	\$2,353.25
04/27/2020	VENDOR: ATA Process, LLC, INVOICE #: ATA-2020000679, DATE: 4/24/2020 - 2020.04.24 ATA Process, LLC-Invoice# ATA-2020000679-service of subpoena on Consultativa Wealth Management Corp. on 4.24.20-Kinetic	\$234.00
04/27/2020	VENDOR: Family Moving, LLC, INVOICE #: 20200427, DATE: 4/27/2020 - Completion of Office Move	\$537.00
04/29/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72140, DATE: 4/4/2020; Delivery to R.Bishop, San Juan PR on 3/27/2020	\$22.13
04/29/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72140, DATE: 4/4/2020; Delivery to I.Englander, SRT Securities, New York, NY on 3/27/2020	\$13.20
04/29/2020	VENDOR: ATA Process, LLC, INVOICE #: ATA-2020000698, DATE: 3/29/2020 - 2020.04.29 ATA Process, LLC-Invoice #ATA-2020000698-service of subpoena on Jamene Pinnow on 4.28.20-Kinetic	\$118.00
04/29/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72150, DATE: 4/11/2020; Delivery to D.Lawson, Lawson Senior Housing, Sarasota FL on 4/9/2020	\$9.59
05/04/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72180, DATE: 5/2/2020; Delivery to Family Moving, Venice FL on 4/24/2020	\$12.48
05/04/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72170A, DATE: 4/25/2020 Return from Legal Dept, Zephyr Aerospace, San Juan PR on 3/17/2020	\$24.49

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05/04/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72170A, DATE: 4/25/2020 Return from Corp Compliance, Universidad del Sagrado Corazo, San Juan PR on 3/18/2020	\$24.49
05/06/2020	VENDOR: TransUnion Risk & Alternative Data Solut, INVOICE #: 565050-202004-1, DATE: 5/1/2020 TLO Billing Period 04/01/20 - 04/30/20	\$7.81
05/07/2020	VENDOR: ATA Process, LLC, INVOICE #: ATA-2020000961, DATE: 5/6/2020 - 2020.05.06 ATA Process, LLC-Invoice# ATA-2020000961-Vantage Retirement Plans Trust Subpoena-served 5.5.20-Kinetic	\$129.00
05/07/2020	VENDOR: ATA Process, LLC, INVOICE #: ATA-2020000962, DATE: 5/7/2020 -2020.05.07 ATA Process, LLC-Invoice# ATA-2020000962-ScotiaBank Subpoena Puerto Rico-served 5.6.20-Kinetic	\$239.00
05/11/2020	VENDOR: Banco Popular De Puerto Rico, INVOICE #: L20200312-000031, DATE: 5/4/2020 - Document Production Costs	\$133.75
06/03/2020	VENDOR: BMO Harris Bank, INVOICE #: 819527-20, DATE: 5/26/2020	\$209.81
06/05/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72220, DATE: 5/30/2020; Delivery to D.Miles, Ryntal Prop Mgmt, Sarasota FL on 5/27/2020	\$9.47
06/23/2020	Mileage from 101 E Kennedy Blvd FI to 2201 Fruitville Rd , Sarasota, FL	\$68.77
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, Allianz Life Insurance, Minneapolis MN on 6/10/2020	\$13.30
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, Bison Financial Group, St Petersburg, FL on 6/10/2020	\$12.20
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, Protective Life Insurance, Birmingham AL on 6/10/2020	\$12.03
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, TIG Insurance Co, Manchester NH on 6/10/2020	\$13.30
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, First Sarasota Capital Advisor, Bradenton FL on 6/10/2020	\$9.38
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, Blue Cross of FL, Jacksonville FL on 6/10/2020	\$10.20
06/25/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72240, DATE: 6/13/2020; Delivery to Legal Dept, Modern Coin Mart, Sarasota FL on 6/10/2020	\$9.38
06/26/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72250, DATE: 6/20/2020; Delivery to B. Santander. Corp Compliance, San Juan PR on 6/16/2020	\$21.51
06/26/2020	VENDOR: United Parcel Service of America Inc, INVOICE #: 0000A54W72250, DATE: 6/20/2020; Return from Legal Dept, Bradenton FL on 6/19/2020	\$7.72

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DISBURSEMENTS

Total Disbursements: \$6,307.49

Total Fees and Disbursements: \$ 202,447.49



101 East Kennedy Boulevard
Suite 3400
Tampa, FL 33602-5195
Tel. 813.387.0300
Fax 813.387.1800
www.quarles.com

Attorneys at Law in:
Chicago, Illinois
Indianapolis, Indiana
Madison and Milwaukee, Wisconsin
Naples and Tampa, Florida
Phoenix and Tucson, Arizona
Washington, DC

Invoice Number : 6269306
Invoice Date: July 27, 2020

REMITTANCE

Tax ID No. 39-0432630

Privileged & Confidential

Kinetic - Mark Kornfeld as SEC Federal Equity Receiver
c/o Quarles & Brady
101 East Kennedy Blvd, Suite 3400
Tampa, FL 33602

For Professional Services Rendered Through June 30, 2020
RE: SEC Enforcement Action
Q&B Matter Number: 172974.00001

Fees:	\$	196,140.00
Disbursements:	\$	6,307.49
Total Amount Due:	\$	<u>202,447.49</u>

Please send wire or ACH payments to:

BMO Harris Bank NA
ABA: 071000288
Account No: 00241-14783
SWIFT: HATRUS44
Reference: Q&B Invoice Number
Email: clientpayments@quarles.com

Or send payment along with this page to:

Quarles & Brady LLP
BIN 88895
Milwaukee, WI 53288-0895

INVOICE IS PAYABLE UPON RECEIPT

EXHIBIT 6b

SECOND INTERIM APPLICATION FOR FEES

Hon. José A. Fusté, Esq. (ret.)
Damian R. LaPlaca, Esq.
263 Domenech Avenue
San Juan, Puerto Rico 00918
617-733-0767
787-753-6131

July 13, 2020

RE: In the Matter of SEC v. Kinetic Investment Group,
LLC and Michael Scott Williams, et. Al.

TO:

Luke Cass, Esq.
Counsel to the Receiver, Mark A. Kornfeld
Quarles & Brady
1701 Pennsylvania Avenue, NW, Suite 700
Washington, DC 20006-5805
Luke.Cass@quarles.com

Hourly rate: \$350.00/hour, Honorable José A. Fusté, Esq. (ret.)
\$300.00/hour, Damian R. LaPlaca, Esq.

This is Applicant's Second Interim Application and covers the time period April 1, 2020 to June 30, 2020.

<u>Date</u>	<u>Description</u>	<u>Time</u>	<u>Value</u>
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LAPLACA SERVICES

Apr. 17, 2020	Read and review email on service of process and objection of counsel to Williams and request advice in return. Read and review the Puerto Rico Governor's lockdown order and prepare and send email addressing describing the same and that it does not bind the	.70	\$210.00
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federal court.

Apr. 21, 2020	Read and review email on status of properties and need for three appraisals on the Tetuan Street property and a motion for turnover of The Williams residence.	.30	\$90.00
Apr. 21, 2020	Read and review lengthy email of response of counsel to Williams on service and respond with advice on same to accept compromise of 20 days to answer.	.20	\$60.00

Total: \$360.00

Total for Damian R. LaPlaca, Esq.: \$360.00

Because of the current lockdown in Puerto Rico, Applicants may work from home. Please mail checks as follows:

José A. Fusté, Esq.
1485 Ashford Ave
1 St. Mary's Plaza
Apt. 1704N
San Juan, Puerto Rico 00907-1544

Damian R. LaPlaca, Esq.
61 Kings Court
Apt. 7W
San Juan, Puerto Rico 00911

Certification

1. The undersigned has read the Application;
2. To the best of the Applicant's knowledge, information and belief after reasonable inquiry, the Application and all fees and expenses therein are

- true and accurate and comply with the Billing Instructions (with any exceptions specifically noted in the Certification and described in the Application);
3. All fees contained in the Application are based on the rates listed in the Applicant's fee schedule attached hereto and such fees are reasonable and commensurate with the skill and experience required for the activity performed;
 4. The Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission); and
 5. In seeking reimbursement for a service which the Applicant justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien services), the Applicant requests reimbursement only for amount billed to the Applicant by the third-party vendor and paid by the Applicant by such vendor. If such services are provided by the receiver, the receiver will certify that it is not making a profit on such reimbursable service.

/s/ Damian R. LaPlaca
Damian R. LaPlaca

Dated: July 13, 2020

EXHIBIT 6c

**INVOICE DETAIL**

Mark Kornfeld, Receiver
Quarles & Brady LLP
101 E Kennedy Blvd
Suite 3400
Tampa, FL 33602

Invoice Number: 30125
Date: July 13, 2020
Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered April 1, 2020 to April 30, 2020.

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/01/2020	HAL	Prepared schedules of transactions for the period of February 2020 and early March 2020 for KCL Services, Kinetic Funds, and Kinetic Investment Group.	0.9	\$ 295	\$ 265.50		\$ -	\$ 265.50
04/01/2020	SIC	Retrieved and analyzed cancelled check support from online BMO Harris Banking (1.8); contacted online bank support re: obtaining transaction support records for bank statements (.4).	2.2	\$ 195	\$ 429.00		\$ -	\$ 429.00
04/02/2020	HAL	Conversation with MDB re: case planning (.2 - No Charge).	0.2	\$ 295	\$ 59.00	0.2	\$ (59.00)	\$ -
04/02/2020	MDB	Conversation with HAL re: case planning (.2 - No Charge).	0.2	\$ 340	\$ 68.00	0.2	\$ (68.00)	\$ -
04/03/2020	HAL	Prepared Sharefile and provided financial records reviewed to date to the Receiver and his counsel.	0.6	\$ 295	\$ 177.00		\$ -	\$ 177.00
04/03/2020	NED	Continued to analyze investor statements (3.5); finalized investor matrix with pertinent information for each of the 44 investor accounts (3.9 - No Charge).	7.4	\$ 245	\$ 1,813.00	3.9	\$ (955.50)	\$ 857.50
04/04/2020	MDB	Organized and reviewed statements for baseline tracing of funds for investors including Werbin / EHS and Fogarty Accounts to trace through all accounts including brokerage accounts.	3.7	\$ 340	\$ 1,258.00		\$ -	\$ 1,258.00
04/05/2020	MDB	Continued investor analysis re: Werbin / EHS.	2.2	\$ 340	\$ 748.00		\$ -	\$ 748.00
04/06/2020	HAL	Meeting with NED and MDB re: analysis of investor gains/losses and preparation of schedules re: same (1.2 - No Charge); prepared template for investor analysis (.8); reviewed investor gains/losses for S. Padilla and R. Eaves (.9).	2.9	\$ 295	\$ 855.50	1.2	\$ (354.00)	\$ 501.50
04/06/2020	MDB	Analyzed investor accounts (.9); continued analysis of investor accounts and review of relevant source documents (1.8); meeting with HAL and NED re: review of investor accounts and Lendacy accounts and schedules to be prepared (1.2 - No Charge).	3.9	\$ 340	\$ 1,326.00	1.2	\$ (408.00)	\$ 918.00



Invoice Number: 30125
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/06/2020	NED	Meeting with MDB and HAL re: preparation of investor analysis (1.2 - No Charge); analyzed investor statements and flow of funds related to A. Diaz (3.1); analyzed investor statements and flow of funds related to F. Scott Corbett (2.2).	6.5	\$ 245	\$ 1,592.50	1.2	\$ (294.00)	\$ 1,298.50
04/07/2020	HAL	Finalized Lendacy loan analysis template (1.1); reviewed investor gains/losses, statements and investor agreements for Puerto Rico Community Foundation and Plan Pensiones Ministeriales (3.4).	4.5	\$ 295	\$ 1,327.50		\$ -	\$ 1,327.50
04/07/2020	MDB	Research, tracing and analysis of investments by A.C.A.A. and CFSE (3.6); finalized investor account analysis template (.8).	4.4	\$ 340	\$ 1,496.00		\$ -	\$ 1,496.00
04/07/2020	NED	Gathered supporting documents and reviewed investment activity related to F. Scott Corbett (.7 - No Charge); analyzed investor statements and flow of funds related to Cypress Guarantor (.4); reviewed and updated master analysis for investor activity identified (1.6); analyzed investor statements and flow of funds related to J. Dwyer (.8); analyzed investor statements and flow of funds related to Ehret, Inc. (.4); analyzed investor statements and flow of funds related to A. Luis Ferre (.6); analyzed investor statements and flow of funds related to FMB 1, LLC (1.3).	5.8	\$ 245	\$ 1,421.00	0.7	\$ (171.50)	\$ 1,249.50
04/08/2020	HAL	Responded to inquiries and requests from J. Maglich (1.2); prepared schedule of outstanding Kinetic Fund investor statements and Lendacy statements (.4); prepared schedule of net transfers between Kinetic Fund and Kinetic Investment Group (1.1); prepared schedule of net transfers between Kinetic Funds and Kinetic Securities Trading (.9); prepared schedule of net transfers to Kinetic Partners (1.3); discussion with J. Maglich re: investor analysis and Interim Report (1.0 - No Charge).	5.9	\$ 295	\$ 1,740.50	1.0	\$ (295.00)	\$ 1,445.50
04/08/2020	MDB	Continued research, analysis and tracing of Lendacy loans for AEELA, D. Casey, T. Beradelli, IRA; review of SPMT, Sacred Heart, and Puerto Rican Community Foundation, Plan Pensiones, and Cypress Guarantor.	4.4	\$ 340	\$ 1,496.00		\$ -	\$ 1,496.00
04/08/2020	NED	Analyzed investor statements and flow of funds related to investment by P. Reynolds (1.4); analyzed investor statements and flow of funds related to B. Foster (2.1); analyzed investor statements and flow of funds related to Sacred Heart University (1.1); analyzed investor statements and flow of funds related to SPMT, LLC (.9); analyzed investor statements and flow of funds related to G. and M. Wiecek (2.6).	8.1	\$ 245	\$ 1,984.50		\$ -	\$ 1,984.50



Invoice Number: 30125
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/09/2020	HAL	Prepared listing of outstanding Kinetic Fund investor statements and Lendacy statements (.8 - No Charge); finalized investor analysis for R. Eaves and S. Padilla (1.3); discussion with NED and SIC re: analysis of SolCoop account statements (.5-No Charge); reviewed and updated Summary of uses of funds for Kinetic International (1.2); reviewed SEC Investigative file (1.3); prepared analysis of investor gains/losses for F. & R. Lang (1.8); discussion with NED re: analysis to be performed (.8 - No Charge).	7.7	\$ 295	\$ 2,271.50	2.1	\$ (619.50)	\$ 1,652.00
04/09/2020	MDB	Reviewed investor analyses including searches for missing additional documents and tracing to master database for: Corbett, Diaz, Dwyer, Ehret; continued analysis of brokerage accounts.	5.4	\$ 340	\$ 1,836.00		\$ -	\$ 1,836.00
04/09/2020	NED	Various discussion with HAL re: analyses (.8 - No Charge); analyzed investor statements and flow of funds related to J. Maurer (2.2); analyzed investor statements and flow of funds related to M. Sinski (1.9); analyzed investor statements and flow of funds related to J. Symmes (2.7); discussion with HAL and SIC re: analysis of SolCoop bank statements (.5 - No Charge).	8.1	\$ 245	\$ 1,984.50	1.3	\$ (318.50)	\$ 1,666.00
04/09/2020	SIC	Discussion with HAL and NED re: analysis of SolCoop account statements (.5 - No Charge); analyzed Kinetic International LLC SolCoop bank accounts (4.8); prepared schedules re: same (3.4).	8.7	\$ 195	\$ 1,696.50	0.5	\$ (97.50)	\$ 1,599.00
04/10/2020	HAL	Conference call with team re: case strategy and work going forward (1.0 - No Charge); prepared analysis of investor gains/losses for S. Kadotani, M. Silva, and R. Silverman (3.3).	4.3	\$ 295	\$ 1,268.50	1.0	\$ (295.00)	\$ 973.50
04/10/2020	MDB	Continued review of investor analysis for: Reynolds, Foster, Casey; reviewed updates to investor analyses (5.6); conference call with HAL, NED, and SIC; continued financial analysis of bank records and brokerage statements (1.0 - No Charge).	6.6	\$ 340	\$ 2,244.00	1.0	\$ (340.00)	\$ 1,904.00
04/10/2020	NED	Continued to analyze investor statements and flow of funds related to G. and M. Wiecek (.4); analyzed investor statements and flow of funds related to L. and D. Casey (2.5 - No Charge); discussion with HAL, MDB and SIC re: analyses performed, findings and work to be done (1.0 - No Charge); updated analysis related to Sacred Heart University (.6); updated analysis related to Cypress Guarantor (.4); analyzed investor statements and flow of funds related to T. Berardelli (1.5); analyzed investor statements and flow of funds related to W. B. Call (1.5); analyzed investor statements and flow of funds related to E. Acosta (1.0).	8.9	\$ 245	\$ 2,180.50	3.5	\$ (857.50)	\$ 1,323.00



Invoice Number: 30125
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/10/2020	SIC	Discussion with HAL, MDB and NED re: analyses performed, findings, and work to be done (1.0 - No Charge); assisted in analyzing investor statements (3.3 - No Charge); retrieved investor statements from document portal (2.3).	6.6	\$ 195	\$ 1,287.00	4.3	\$ (838.50)	\$ 448.50
04/11/2020	NED	Finalized investor analysis related to E. Acosta (.4); analyzed investor statements and flow of funds related to A. Haddow (1.6).	2.0	\$ 245	\$ 490.00		\$ -	\$ 490.00
04/12/2020	MDB	Finalized review of investor analyses: FMB1 (.9), Wiececk (.8), Sinski (1.1), Lang (1.7), Kadotani (1.3), Maurer (1.0) analysis of Lendacy records for investors with Lendacy accounts (.6).	7.4	\$ 340	\$ 2,516.00		\$ -	\$ 2,516.00
04/12/2020	SIC	Retrieved outstanding investor statements from document portal (1.4); analyzed additional investor statements for the period September 2019 through January 2020 (3.8 - No Charge).	5.2	\$ 195	\$ 1,014.00	3.8	\$ (741.00)	\$ 273.00
04/13/2020	HAL	Conference call with team re: analysis of investor gains/losses (No Charge - .9); reviewed schedule of investor gains/losses for CFSE, AEELA, S. Padilla (1.6); prepared tracing schedule of CFSE funds once invested into Kinetic Funds for Receiver's report and preparation of diagrams (1.1); discussion with J. Maglich re: access to data platform to download investor statements (.5 - No Charge); prepared schedule of investor gains/losses for Wiececk as requested by J. Maglich (1.8); retrieved commission documents and prepared schedules for E. Acosta and other sales agents (.7).	6.6	\$ 295	\$ 1,947.00	1.4	\$ (413.00)	\$ 1,534.00
04/13/2020	MDB	Continued review of investor analyses for Ferre and Haddow (1.4); performed quality control on investor analyses (1.8 - No Charge); continued analysis and tracing of funds for Fogarty and Fogarty Trust (2.9); conversations with team (.9 - No Charge); analysis of investor agreements, subscription agreements and related documents (2.1).	9.1	\$ 340	\$ 3,094.00	2.7	\$ (918.00)	\$ 2,176.00
04/13/2020	NED	Analyzed investor statements and flow of funds related to C. Aiken (.6); analyzed investor statements and flow of funds related to R. L. Causin (.4); analyzed investor statements and flow of funds related to E. Lee Ball (2.1); discussion with MDB, HAL and SC re: preparation of Summary of Preliminary Findings (.9 - No Charge); reviewed entities and relationships between Kinetic entities for tables in Summary of Preliminary Findings (1.4); assisted HAL with quality control of Summary of Preliminary Findings (2.0).	7.4	\$ 245	\$ 1,813.00	0.9	\$ (220.50)	\$ 1,592.50
04/13/2020	SIC	Conference call with HAL, MDB, and NED re: analysis of investor gains/losses (.9 - No Charge); performance of quality control on master database (2.9).	3.8	\$ 195	\$ 741.00	0.9	\$ (175.50)	\$ 565.50



Invoice Number: 30125
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/14/2020	HAL	Discussion with SIC re: analysis of balances in investor accounts at select points in time (.7 - No Charge); analyzed redemption requests for investors who made redemption requests (1.1).	1.8	\$ 295	\$ 531.00	0.7	\$ (206.50)	\$ 324.50
04/14/2020	MDB	Finalized review of investor analyses: Symmes, Beradelli, Aiken, Hron Trust, Causin, Silva, Silverman; (4.7) continued to update investor analyses with new statement information (.7); continued to review contracts (1.4); prepared background section of Summary of Preliminary Findings (2.9 - No Charge).	9.7	\$ 340	\$ 3,298.00	2.9	\$ (986.00)	\$ 2,312.00
04/14/2020	NED	Continued to assist HAL with Summary of Preliminary Findings re: background and exhibits (3.7 - No Charge); prepared analysis of bank account balances January 2013 through February 2020 to determine Kinetic's ability to pay investors at various points in time (1.7).	5.4	\$ 245	\$ 1,323.00	3.7	\$ (906.50)	\$ 416.50
04/14/2020	SIC	Analyzed investor files for redemption requests (2.8); prepared analysis of redemption requests by date (1.4); discussion with HAL re: analysis of balances in investor accounts at select point in time (.7 - No Charge).	4.9	\$ 195	\$ 955.50	0.7	\$ (136.50)	\$ 819.00
04/15/2020	HAL	Responded to inquiry from J. Maglich re: preparation of investor statements by A. Guar and calculation of investment value (.7); reviewed transactions for El Morro Financial and invoice history (.7); prepared Summary of Preliminary Findings (4.6); finalized master database of bank activity for KF, KCL, KIG and El Morro Financial (2.3 - No Charge); conference call with team re: drafting of Summary of Preliminary findings (1.0 - No Charge).	9.3	\$ 295	\$ 2,743.50	3.3	\$ (973.50)	\$ 1,770.00
04/15/2020	MDB	Finalized investor analysis and tracing for Werbin/EHS/Sonochinsky, and Cypress Guarantor (2.4); tracing of investor funds in Fogarty and Fogarty Trust investment and brokerage accounts (2.7); financial analysis of financial position as of May 2018 (1.9); team call (1.0 - No Charge); continued to write brokerage account analysis section in Summary of Preliminary Findings (3.6 - No Charge).	11.6	\$ 340	\$ 3,944.00	4.6	\$ (1,564.00)	\$ 2,380.00
04/15/2020	NED	Discussion with MDB and HAL re: preparation of Summary of Preliminary Findings (1.0 - No Charge); continued to prepare ability to pay analysis at various points in time (.7); prepared master investor analyses for use in Summary of Preliminary Findings (1.8 - No Charge); continued to assist with Summary of Preliminary Findings (.4 - No Charge); reviewed investor documents for select investors referenced in the Summary of Preliminary Findings (1.0).	4.9	\$ 245	\$ 1,200.50	3.2	\$ (784.00)	\$ 416.50
04/15/2020	SIC	Analyzed El Morro Financial Scotia bank statements for the period March 2017 through December 2019.	4.2	\$ 195	\$ 819.00		\$ -	\$ 819.00



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Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/16/2020	HAL	Conference call with J. Maglich re: repayment of Williams Loans in March 2020 and review of related records (.9); finalized Summary of Preliminary Findings (6.4); prepared diagrams for use in Receiver's Interim Report (1.6).	8.9	\$ 295	\$ 2,625.50		\$ -	\$ 2,625.50
04/16/2020	MDB	Continued to review and write Summary of Preliminary Findings.	6.9	\$ 340	\$ 2,346.00		\$ -	\$ 2,346.00
04/16/2020	NED	Prepared master analysis of Lendacy loans (2.6); performed quality control on Summary of Preliminary Findings (1.9).	4.5	\$ 245	\$ 1,102.50		\$ -	\$ 1,102.50
04/17/2020	HAL	Responded to and addressed J. Maglich comments in Summary of Preliminary Findings (1.4); prepared Exhibits to Summary (2.2 - No Charge).	3.6	\$ 295	\$ 1,062.00	2.2	\$ (649.00)	\$ 413.00
04/20/2020	HAL	Reviewed notes from J. Maglich and prepared responses for upcoming call (1.2); conference call with Receiver, J. Maglich, and MDB re: updated Summary of Preliminary Findings (1.6); prepared schedule of Lendacy loans and how much remains outstanding on each loan (2.1).	4.9	\$ 295	\$ 1,445.50		\$ -	\$ 1,445.50
04/20/2020	MDB	Conference call with Receiver, counsel and HAL re: comments and questions re: Summary of Preliminary Findings (1.6 - No Charge); continued analysis for updates to Summary Report (2.7).	4.3	\$ 340	\$ 1,462.00	1.6	\$ (544.00)	\$ 918.00
04/21/2020	HAL	Prepared diagrams of flow of funds to purchase residential apartments (.6); prepared diagram for flow of funds for purchase of bank building (.7); analyzed transfers from Kinetic Investment Group to El Morro for the payment of invoices (1.2); prepared schedules re: same (1.0).	3.5	\$ 295	\$ 1,032.50		\$ -	\$ 1,032.50
04/22/2020	HAL	Discussion with NED re: work to be completed (.4 - No Charge); updated Summary Report (2.7); prepared requested diagrams for Receiver's Interim Report (1.4).	4.5	\$ 295	\$ 1,327.50	0.4	\$ (118.00)	\$ 1,209.50
04/22/2020	NED	Reviewed comments from Receiver and his counsel on Summary of Preliminary Findings (.4 - No Charge); discussion with HAL re: same (.4 - No Charge); reviewed sales agent commission agreements (2.9) assisted with the preparation of the Summary of Preliminary Finding re: sales agents commissions paragraph and prepared tables re: same (2.8); reviewed QuickBooks files for KF I and Kinetic Investment Group to identify how transfers were recorded (1.7); reviewed El Morro QuickBooks to identify how transfers to KIG were recorded (.9).	9.1	\$ 245	\$ 2,229.50	0.8	\$ (196.00)	\$ 2,033.50



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Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/23/2020	HAL	Prepared schedule of transfers to LF42 at request of J. Maglich (.7); prepared response to LF42 inquiries from J. Maglich (.9); prepared response and tables related to KIG bank balances (.6); reviewed updated bank records from BMO Harris Bank (2.1); discussion with NED & SIC re: analysis of newly produced bank records (.3 - No Charge); prepared response and analysis for the \$460,564.29 transfer on March 5, 2020 (.2); prepared schedules of the unknown transactions outstanding from most recent production from BMO Harris Bank (1.7).	6.5	\$ 295	\$ 1,917.50	0.3	\$ (88.50)	\$ 1,829.00
04/23/2020	MDB	Continued to analyze and review documents to update report including review of subscription agreements, addendum, tax returns, and Lendacy agreements.	4.6	\$ 340	\$ 1,564.00		\$ -	\$ 1,564.00
04/23/2020	NED	Updated investment activity for A. Diaz based on new information (.4); updated master analysis (.2); discussions with HAL & SIC (.3 - No Charge); reviewed Silexx Seller Purchase Agreement (.3); prepared analysis of commissions paid to J. Symmes (2.6); continued to assist HAL with preparation of Summary of Preliminary Findings and Exhibits (3.9 - No Charge); email communications with J. Maglich (.3); analyzed loans from Lendacy to El Morro (.6).	8.6	\$ 245	\$ 2,107.00	4.2	\$ (1,029.00)	\$ 1,078.00
04/23/2020	SIC	Discussion with HAL and NED re: production from BMO Harris Bank (.3 - No Charge); reviewed subsequent production of BMO Harris bank records and updated master bank analysis for Kinetic Funds (2.9); updated master bank database for KCL (2.5).	5.7	\$ 195	\$ 1,111.50	0.3	\$ (58.50)	\$ 1,053.00
04/24/2020	HAL	Reviewed Motion for Clarification (.4 - No Charge); prepared responses and schedules to Z. Foster re: LF42 and related questions (1.3); prepared diagrams requested by J. Maglich re: March 5, 2020 transactions (1.2); prepared Summary Report of Preliminary Findings (4.3).	7.2	\$ 295	\$ 2,124.00	0.4	\$ (118.00)	\$ 2,006.00
04/24/2020	MDB	Continued to analyze source documents including tax returns and loan agreements (3.4); continued to update and prepare additional schedules for report (3.2); partner review of Summary Report of Preliminary Findings and schedules prepared by HAL and NED (2.3 - No Charge).	8.9	\$ 340	\$ 3,026.00	2.3	\$ (782.00)	\$ 2,244.00
04/24/2020	NED	Continued to assist HAL with Summary of Preliminary Findings.	3.7	\$ 245	\$ 906.50		\$ -	\$ 906.50
04/26/2020	HAL	Prepared updated Summary Report of Preliminary Findings (3.4); conference call with NED re: preparation of Summary Report (.3 - No Charge).	3.7	\$ 295	\$ 1,091.50	0.3	\$ (88.50)	\$ 1,003.00
04/26/2020	MDB	Continued Partner review Summary Report and underlying documentation that supports report.	3.6	\$ 340	\$ 1,224.00		\$ -	\$ 1,224.00



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Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/26/2020	NED	Reviewed master analysis (.3); updated investor analysis for C. Aiken, J. Symmes, T. Berardelli, J. Dwyer, S. Kadotani, E. Ball, R. Silverman, W. Br. Call with new investor information (1.9); discussion with HAL re: Summary Report (.3 - No Charge).	2.5	\$ 245	\$ 612.50	0.3	\$ (73.50)	\$ 539.00
04/27/2020	HAL	Updated flow of funds diagram for Kinetic Funds, KCL, Kinetic International and related paragraphs for Interim Report (3.6); updated investor examples in Interim Report for investor ALF, RE & CFSE (2.9); prepared conclusions to the Summary Report (1.7); conference call with NED re: preparation of exhibits to the Summary Report (.4 - No Charge).	8.6	\$ 295	\$ 2,537.00	0.4	\$ (118.00)	\$ 2,419.00
04/27/2020	MDB	Continued Partner review and made revisions to Summary Report (4.2); prepared schedules and tables for Lendacy and transfers/loans to Williams and his related entities (3.1).	7.3	\$ 340	\$ 2,482.00		\$ -	\$ 2,482.00
04/27/2020	NED	Analyzed KF I transfers to Lendacy (2.5); discussion with HAL re: exhibits to Summary Report (.4 - No Charge); prepared exhibits to Summary Report (3.9); continued to assist HAL with preparation of Summary Report (1.6 - No Charge); analyzed Lendacy activity, prepared summary of sources/uses, and prepared diagram of the same (.9).	9.3	\$ 245	\$ 2,278.50	2.0	\$ (490.00)	\$ 1,788.50
04/27/2020	SIC	Continued to prepare updated schedule of Summary of Sources & Uses for KCL Services, Kinetic International LLC, Kinetic Investment Group, El Morro Financial LLC, and Kinetic Funds LLC with new information from BMO Harris Bank (4.7 - No Charge).	4.7	\$ 195	\$ 916.50	4.7	\$ (916.50)	\$ -
04/28/2020	HAL	Finalized Summary Report (3.4 - No Charge); prepared schedule of loan payments affiliated with LF42 loan (.9); prepared schedule of deposits into El Morro accounts (.8); reviewed draft Receiver's Interim Report (1.1).	6.2	\$ 295	\$ 1,829.00	3.4	\$ (1,003.00)	\$ 826.00
04/28/2020	MDB	Reviewed and finalized Summary Report (4.4); reviewed draft of Receiver's Report and reference documents and schedules to Summary of Preliminary Findings (2.3 - No Charge).	6.7	\$ 340	\$ 2,278.00	2.3	\$ (782.00)	\$ 1,496.00
04/29/2020	HAL	Discussion with MDB re: notes on Receiver's Interim Report (.8 - No Charge); reviewed updated Draft Receiver's Report (1.8); prepared tables, diagrams, and charts for First Interim's Receiver's Report (2.2); updated Summary Report (.7).	5.5	\$ 295	\$ 1,622.50	0.8	\$ (236.00)	\$ 1,386.50
04/29/2020	MDB	Researched various issues at request of counsel re: investment account performance and brokerage account performance year over year (2.9); discussion with HAL re: Receiver's Interim Report (.8 - No Charge).	3.7	\$ 340	\$ 1,258.00	0.8	\$ (272.00)	\$ 986.00



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Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
04/29/2020	NED	Prepared schedules of unknown transactions for Kinetic Funds, Kinetic Investment and KCL Services for service to BMO Harris Bank.	0.9	\$ 245	\$ 220.50		\$ -	\$ 220.50
04/30/2020	HAL	Finalized Net Asset Calculation table for Interim Report (.7); prepared tables for Receiver's Report (1.8); call with J. Maglich re: same (.4).	2.9	\$ 295	\$ 855.50		\$ -	\$ 855.50
Less Adjustment for No Charges.						79.6	\$ (21,559.00)	
Less Discount due to Rate Adjustment for MDB (Partner) who assisted, rate reduced rate through April 23, 2020.							\$ (7,296.00)	
Total Fees			374.4		\$105,850.00	79.6	\$ (28,855.00)	\$ 76,995.00
Total Amount Due					\$ 76,995.00			

Please remit payment by mail to:

Yip Associates
2 South Biscayne Blvd., Suite 2690
Miami, FL 33131

Or, via wire transfer to:

IBERIA BANK
200 W Congress Street
Lafayette, LA 70501
ABA Number: 265270413

IBERIANBANK Credit Account Information
IB Customer Name: YIPCPA, LLC d/b/a YIP ASSOCIATES
IB Account Number: 4400000149
Amount of Wire: \$76,995.00

For Credit to: Yip Associates
2 South Biscayne Blvd., Suite 2690
Miami, FL 33131

**INVOICE DETAIL**

Mark Kornfeld, Receiver
Quarles & Brady LLP
101 E Kennedy Blvd
Suite 3400
Tampa, FL 33602

Invoice Number: 30165
Date: July 13, 2020
Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered May 1, 2020 to May 31, 2020.

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
05/06/2020	MDB	Follow up with HAL regarding case status (.2 - No Charge).	0.2	\$ 340	\$ 68.00	0.2	\$ (68.00)	\$ -
05/08/2020	HAL	Researched inquiry from J. Maglich re: investments in Kinetic Funds by M. Williams (1.8); prepared updated sources and uses for KCL/Lendacy based on new bank records from BMO Harris Bank (1.1); follow-up with MDB re: case status (.2 - No Charge).	3.1	\$ 295	\$ 914.50	0.2	\$ (59.00)	\$ 855.50
05/12/2020	HAL	Researched inquiry from J. Maglich re: purchase of residential apartments by M. Williams (1.2); updated diagrams re: same (.6); analyzed investor investments from November 1, 2016 through March 21, 2017 per request from J. Maglich (.9); analyzed percentage of funds that were investor funds used to purchase M. Williams apartments (.8).	3.5	\$ 295	\$ 1,032.50		\$ -	\$ 1,032.50
05/13/2020	SIC	Updated master bank analysis for Kinetic Funds, Kinetic Investment Group, and KCL Services based on updated production provided by BMO Harris Bank.	3.7	\$ 195	\$ 721.50		\$ -	\$ 721.50
05/22/2020	MDB	Discussion with HAL re: work to be performed (.2 - No Charge).	0.2	\$ 340	\$ 68.00	0.2	\$ (68.00)	\$ -
05/22/2020	HAL	Discussion with MDB re: work to be performed (.2 - No Charge); performed quality control on updated sources and uses of funds schedules for El Morro (.6); Kinetic Investment Group (.7); Kinetic International (.6); Kinetic Funds (.9).	3.0	\$ 295	\$ 885.00	0.2	\$ (59.00)	\$ 826.00
05/22/2020	NED	Prepared updated schedules of summary and uses for: El Morro Financial Group (.8); Kinetic Investment Group (.3); and Kinetic International, LLC (.4).	1.5	\$ 245	\$ 367.50		\$ -	\$ 367.50
05/26/2020	MDB	Discussion with HAL re: claims analysis (.4 - No Charge).	0.4	\$ 340	\$ 136.00	0.4	\$ (136.00)	\$ -



Invoice Number: 30165
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
05/26/2020	HAL	Reviewed claims analyses (1.8); discussion with MDB re: claims analysis (.4 - No Charge).	2.2	\$ 295	\$ 649.00	0.4	\$ (118.00)	\$ 531.00
05/26/2020	NED	Performed quality control on claims analysis.	4.4	\$ 245	\$ 1,078.00	2.0	\$ (490.00)	\$ 588.00
Less Adjustment for No Charges.						3.6	\$ (998.00)	
Total Fees			22.2		\$ 5,920.00	3.6	\$ (998.00)	\$ 4,922.00
Total Amount Due					\$ 4,922.00			

Please remit payment by mail to:

Yip Associates
2 South Biscayne Blvd., Suite 2690
Miami, FL 33131

Or, via wire transfer to:

IBERIA BANK
200 W Congress Street
Lafayette, LA 70501
ABA Number: **265270413**
IBERIABANK Credit Account Information
IB Customer Name: **YIPCPA, LLC d/b/a YIP ASSOCIATES**
IB Account Number: **4400000149**
Amount of Wire: **\$4,922.00**

For Credit to: Yip Associates
2 South Biscayne Blvd., Suite 2690
Miami, FL 33131

**INVOICE DETAIL**

Mark Kornfeld, Receiver
Quarles & Brady LLP
101 E Kennedy Blvd
Suite 3400
Tampa, FL 33602

Invoice Number: 30213
Date: July 13, 2020
Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered June 1, 2020 to June 30, 2020.

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
06/04/2020	HAL	Reviewed latest production from BMO Harris Bank (re: bank records for Silexx Financial Systems, Kinetic Partners, and Kinetic Strategic Group).	1.5	\$ 295	\$ 442.50		\$ -	\$ 442.50
06/08/2020	HAL	Responded to inquiry from J. Maglich re: claims of M. Jones, S. Kadotani, R. Eaves, M. Sinski, and P. Reynolds (.7); discussion with J. Maglich re: identification of third parties who received funds from Kinetic Funds (.6); discussion with NED re: work to be done (.5 - No Charge).	1.8	\$ 295	\$ 531.00	0.5	\$ (147.50)	\$ 383.50
06/08/2020	NED	Discussion with HAL re: work to be done (.5 -No Charge); prepared investor analysis for Marilyn Jones (1.1); reviewed and updated investor analyses for: Kadotani, Eaves and Sinski (2.3); prepared schedule of investors with liquidated accounts (.2).	4.1	\$ 245	\$ 1,004.50	0.5	\$ (122.50)	\$ 882.00
06/09/2020	HAL	Investigated Lendacy activity and commission activity for E. Acosta per request of J. Maglich (1.1); reviewed transfers to unknown bank accounts at BB&T, Banco Santander and other accounts and prepared schedule re: same (.8); discussion with NED re: analysis of liquidated accounts (.4 - No Charge).	2.3	\$ 295	\$ 678.50	0.4	\$ (118.00)	\$ 560.50
06/09/2020	NED	Continued to prepare schedule of investors with liquidated accounts (1.1); discussion with HAL re: same (.4 - No Charge).	1.5	\$ 245	\$ 367.50	0.4	\$ (98.00)	\$ 269.50
06/09/2020	SIC	Updated master bank analysis (1.2 - No Charge).	1.2	\$ 195	\$ 234.00	1.2	\$ (234.00)	\$ -
06/10/2020	NED	Reviewed production and analyzed LF42 BMO account ending x4247 Jan 2013 through March 2020 (4.6); prepared Master schedule of activity May 2019 through August 2019 (.2).	4.8	\$ 245	\$ 1,176.00		\$ -	\$ 1,176.00
06/11/2020	MDB	Review and analysis of Werbin and Soronchinsky accounts, including: Lenny Werbin; Michael Soronchinsky; M&L Family Trust (K-1s); EHS-Werbin; EHS- Soronchinsky and Cypress Guaranty.	2.4	\$ 340	\$ 816.00		\$ -	\$ 816.00
06/11/2020	NED	Continued to review production and analyze LF42 BMO account ending x4247 for the period Jan 2013 through March 2020.	4.4	\$ 245	\$ 1,078.00		\$ -	\$ 1,078.00



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Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
06/12/2020	MDB	Reviewed updates to schedules and analyses prepared by NED (.2); supervision of NED regarding updates to Werbin/Sorochinsky schedules (.3 - No Charge).	0.5	\$ 340	\$ 170.00	0.3	\$ (102.00)	\$ 68.00
06/12/2020	NED	Continued to analyze LF42 BMO account ending x4247 (1.7); discussion with MDB re: Werbin and Sorochinsky analysis (.3 - No Charge); reviewed investor analysis for Werbin, Sorochinsky and Cypress (1.8).	3.8	\$ 245	\$ 931.00	0.3	\$ (73.50)	\$ 857.50
06/15/2020	HAL	Investigated bank accounts held by M. Williams at BB&T and other banking institutions (1.6); reviewed schedule prepared by NED re: other bank accounts held by M. Williams (.5).	2.1	\$ 295	\$ 619.50		\$ -	\$ 619.50
06/15/2020	MDB	Supervision: review schedules and analysis with HAL (.4 - No Charge).	0.4	\$ 340	\$ 136.00	0.4	\$ (136.00)	\$ -
06/15/2020	NED	Reviewed bank support for transfers to M. Williams to determine banks that held accounts at and prepared summary schedule of payments to M. Williams including this information.	1.9	\$ 245	\$ 465.50		\$ -	\$ 465.50
06/16/2020	MDB	Researched issues regarding Fogarty brokerage accounts and responded to email from counsel.	0.3	\$ 340	\$ 102.00		\$ -	\$ 102.00
06/17/2020	HAL	Finalized flow of funds schedules for LF42.	1.4	\$ 295	\$ 413.00		\$ -	\$ 413.00
06/23/2020	MDB	Review documents to address questions from counsel (.6); conference call with J. Maglich and HAL regarding Fogarty Trust and whether Fogarty accounts were segregated from Kinetic Funds sub-accounts (1.1); analysis of documents and preparation of schedules to trace margin interest between sub-accounts and document flow of funds between 2014 through 2019 in Fogarty Trust IB account x4167 (2.6).	4.3	\$ 340	\$ 1,462.00		\$ -	\$ 1,462.00
06/23/2020	HAL	Conference call with J. Maglich and MDB regarding Fogarty Trust and whether Fogarty accounts were segregated from Kinetic Funds sub-accounts (1.1 - No Charge).	1.1	\$ 295	\$ 324.50	1.1	\$ (324.50)	\$ -
Less Adjustment for No Charges.						5.1	\$ (1,356.00)	
Total Fees			39.8		\$ 10,951.50		\$ (1,356.00)	\$ 9,595.50
<u>Expenses</u>								
Printing of electronic records (324 at \$.20 a page)					\$ 64.80			
Total Expenses					\$ 64.80			
Total Amount Due					\$ 9,660.30			



Invoice Number: 30213

Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
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Please remit payment by mail to:

Yip Associates
2 South Biscayne Blvd., Suite 2690
Miami, FL 33131

Or, via wire transfer to:

IBERIA BANK
200 W Congress Street
Lafayette, LA 70501
ABA Number: **265270413**

IBERIABANK Credit Account Information
IB Customer Name: **YIPCPA, LLC d/b/a YIP ASSOCIATES**
IB Account Number: **4400000149**
Amount of Wire: \$9,660.30

For Credit to: Yip Associates
2 South Biscayne Blvd., Suite 2690
Miami, FL 33131

EXHIBIT 6d

**E-Hounds, Inc.**

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

Invoice for Services

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
04/01/2020	04/30/2020	81023	\$4130.00	in RE: Kinetic	Due on Receipt

Invoice to:

Quarles & Brady LLP
101 East Kennedy Blvd
Suite 3400
Tampa, FL 33602-5195

Case Contact:

Quarles & Brady LLP
Jordan Maglich
813-387-0299

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	04/01/2020		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00
4	04/01/2020		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1.5	04/03/2020		Project Management - Data Load-in, Indexing, QC A. Guar Laptop (Razr)	DAB	\$195.00	\$292.50
1.5	04/03/2020		Project Management - Data Load-in, Indexing, QC Reception (Razr)	DAB	\$195.00	\$292.50
6	04/07/2020	✓	Technician Hours R. Rohr Onsite collection and assist	RTR	\$250.00	\$1500.00
1	04/14/2020		Conference call Hamsa M @ Constantine Cannon	RTR	\$195.00	\$195.00
5	04/23/2020		On-Site Service Disconnect all server and data/phone service equipment. R. Rohr @ SRQ	RTR	\$195.00	\$975.00

All balances are due upon receipt. Thank you!

SUBTOTAL **\$4130.00****Payments Applied**TOTAL **\$4130.00****Balance Due \$4130.00**Retainer Amount Remaining **\$0.00****Please note: Our fees are subject to change annually. Last change: 1/2/2018****Statement of Limited Liability and Financial Responsibility**

E-Hounds, Inc. shall not be liable under any circumstances for any special, consequential, or exemplary damages arising from the use or misuse of data or equipment after it has been returned to the client and/or owner(s). E-Hounds shall not be liable for the continued storage of recovered data for more than 30 days unless otherwise specified in writing by the client. Any problems with recovered data must be reported to E-Hounds within 5 business days of receipt. Property and/or equipment held for legal matters is held for 1 Year at the client's request or upon case closure. Additional storage fees may apply to extended storage/maintenance. ABSOLUTELY NO REFUNDS. This invoice is made under the fee agreement signed on behalf of the above listed client. As stated in the Fee Agreement for E-Hound's services, Final billing must be satisfied before the final release of equipment or findings/reporting. All billing is DUE ON RECEIPT, unless stated otherwise above. All unpaid balances over 30 days will be subject to a 1.5% fee per month. Any unpaid balances over 60 days will be subject to equipment liquidation, collection process and reasonable attorney's fees incurred in collection. Services by E-Hounds is rendered on behalf of the agency, agent, or party contracting for the services, and payment for such services is the sole liability and responsibility of that agency, agent, or party, and is not transferrable or assignable.

E-Hounds also accepts:



**E-Hounds, Inc.**

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

Invoice for Services

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
05/01/2020	05/31/2020	82860	\$875.00	in RE: Kinetic	Due on Receipt

Invoice to:

Quarles & Brady LLP
101 East Kennedy Blvd
Suite 3400
Tampa, FL 33602-5195

Case Contact:

Quarles & Brady LLP
Jordan Maglich
813-387-0299

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	05/01/2020		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00
4	05/01/2020		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00

All balances are due upon receipt. Thank you!

SUBTOTAL **\$875.00****Payments Applied**TOTAL **\$875.00****Balance Due \$875.00**

Retainer Amount Remaining

Please note: Our fees are subject to change annually. Last change: 1/2/2018**Statement of Limited Liability and Financial Responsibility**

E-Hounds, Inc. shall not be liable under any circumstances for any special, consequential, or exemplary damages arising from the use or misuse of data or equipment after it has been returned to the client and/or owner(s). E-Hounds shall not be liable for the continued storage of recovered data for more than 30 days unless otherwise specified in writing by the client. Any problems with recovered data must be reported to E-Hounds within 5 business days of receipt. Property and/or equipment held for legal matters is held for 1 Year at the client's request or upon case closure. Additional storage fees may apply to extended storage/maintenance. ABSOLUTELY NO REFUNDS. This invoice is made under the fee agreement signed on behalf of the above listed client. As stated in the Fee Agreement for E-Hound's services, Final billing must be satisfied before the final release of equipment or findings/reporting. All billing is DUE ON RECEIPT, unless stated otherwise above. All unpaid balances over 30 days will be subject to a 1.5% fee per month. Any unpaid balances over 60 days will be subject to equipment liquidation, collection process and reasonable attorney's fees incurred in collection. Services by E-Hounds is rendered on behalf of the agency, agent, or party contracting for the services, and payment for such services is the sole liability and responsibility of that agency, agent, or party, and is not transferrable or assignable.

E-Hounds also accepts:





All funds payable to:

E-Hounds, Inc.

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

Invoice for Services

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
06/01/2020	06/30/2020	82871	\$2105.00	in RE: Kinetic	Due on Receipt

Invoice to:

Quarles & Brady LLP
101 East Kennedy Blvd
Suite 3400
Tampa, FL 33602-5195

Case Contact:

Quarles & Brady LLP
Jordan Maglich
813-387-0299

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	06/05/2020		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00
4	06/05/2020		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	06/17/2020		Intake/Imaging/Extraction (Hard Drive) E9578-25 Seagate Barracuda	SPO	\$225.00	\$225.00
1	06/17/2020		Intake/Imaging/Extraction (Hard Drive) E9578-27 Seagate Barracuda	SPO	\$225.00	\$225.00
1	06/26/2020		Data extraction, load, index QC and verify LEF E9578-25 (Seagate Barracuda)	ERC	\$195.00	\$195.00
1	06/26/2020		Data extraction, load, index QC and verify LEF E9578-27 (Seagate Barracuda)	ERC	\$195.00	\$195.00
2.0	06/29/2020		Load new data for review, OCR, QC E9578-25 and E9578-27	DAB	\$195.00	\$390.00

All balances are due upon receipt. Thank you!

SUBTOTAL **\$2105.00****Payments Applied**TOTAL **\$2105.00****Balance Due \$2105.00**

Retainer Amount Remaining

Please note: Our fees are subject to change annually. Last change: 1/2/2018**Statement of Limited Liability and Financial Responsibility**

E-Hounds, Inc. shall not be liable under any circumstances for any special, consequential, or exemplary damages arising from the use or misuse of data or equipment after it has been returned to the client and/or owner(s). E-Hounds shall not be liable for the continued storage of recovered data for more than 30 days unless otherwise specified in writing by the client. Any problems with recovered data must be reported to E-Hounds within 5 business days of receipt. Property and/or equipment held for legal matters is held for 1 Year at the client's request or upon case closure. Additional storage fees may apply to extended storage/maintenance. ABSOLUTELY NO REFUNDS. This invoice is made under the fee agreement signed on behalf of the above listed client. As stated in the Fee Agreement for E-Hound's services, Final billing must be satisfied before the final release of equipment or findings/reporting. All billing is DUE ON RECEIPT, unless stated otherwise above. All unpaid balances over 30 days will be subject to a 1.5% fee per month. Any unpaid balances over 60 days will be subject to equipment liquidation, collection process and reasonable attorney's fees incurred in collection. Services by E-Hounds is rendered on behalf of the agency, agent, or party contracting for the services, and payment for such services is the sole liability and responsibility of that agency, agent, or party, and is not transferrable or assignable.

E-Hounds also accepts:



EXHIBIT 6e



4023 Tampa Road
Suite 2000
Oldsmar, FL 34677
727-785-4447

Invoice Date: 04/30/2020
Client Number: 45510.001
Invoice #: 179687

Mark A. Kornfeld, Esq. Receiver for Kenetic
Investment Group, LLC
101 East Kennedy Blvd., Suite #3400
Tampa, FL 33602

Detach here and return top portion.

Accounting services rendered during the month of April 2020

\$ 1,817.50

Total Amount Due: \$ 1,817.50

Payment Due Upon Receipt

If you prefer to pay by credit card
pay online at: <https://pdr-cpa.com/payment-page>
or call our office with your credit card information

Interest at 1-1/2% will be added to balance outstanding at the end of each month.
Please return top portion with your check payable to: **PDR CPAs + Advisors**



Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
April 1 - April 30, 2020

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
4/14/2020	Accounting & Auditing	GAH	Discussed Standard Fund Accounting Report and QuickBook accounts during conference call with Quarles & Brady	0.50	\$ 155.00	\$ 77.50
4/14/2020	Accounting & Auditing	GAH	Made Updates to Standard Fund Accounting Report and QuickBooks accounts; Discussed and Reviewed Updates with SAO	2.25	\$ 155.00	\$ 348.75
4/14/2020	Accounting & Auditing	SAO	Completed set-up of QuickBooks, bank accounts; Reconciled Bank Accounts through 3-31-20: #3708, #3674, #3690, #3682, #3724, #3740, #3757, #3732, #3773 and #3765	3.50	\$ 130.00	\$ 455.00
4/14/2020	Accounting & Auditing	SAO	Discussed court reports with Accountant	0.25	\$ 130.00	\$ 32.50
4/14/2020	Accounting & Auditing	GAH	Prepared Standard Fund Accounting Report	3.00	\$ 155.00	\$ 465.00
			Discussed Standard Fund Accounting Report and QuickBook accounts during conference call with Quarles & Brady; Reviewed Updates to Standard Fund Accounting Report	1.25	\$ 320.00	\$ 400.00
4/15/2020	Accounting & Auditing	WEP				
4/16/2020	Accounting & Auditing	GAH	Updated Standard Fund Accounting Report	0.25	\$ 155.00	\$ 38.75
	Total Accounting & Auditing			11.00		\$ 1,817.50
Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC				11.00		\$ 1,817.50



**PDR CPAs + Advisors
By Activity Category
April 1 - April 30, 2020**

<u>Activity Category</u>	<u>Amount</u>
Accounting & Auditing	<u>\$ 1,817.50</u>
Grand Total for April 2020	<u>\$ 1,817.50</u>



PDR CPAs + Advisors
Total Hours and Dollars by Timekeeper
April 1 - April 30, 2020

<u>Initials</u>	<u>Name</u>	<u>Level</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
WEP	William E. Price	CPA	\$ 320.00	1.25	\$ 400.00
GAH	Gail Heinold	Staff	\$ 155.00	6.00	\$ 930.00
SAO	Sharon O'Brien	Staff	\$ 130.00	3.75	\$ 487.50
Total Billed for April 2020				11.00	\$ 1,817.50



4023 Tampa Road
Suite 2000
Oldsmar, FL 34677
727-785-4447

Invoice Date: 05/31/2020
Client Number: 45510.001
Invoice #: 179890

Mark A. Kornfeld, Esq. Receiver for Kenetic
Investment Group, LLC
101 East Kennedy Blvd., Suite #3400
Tampa, FL 33602

Detach here and return top portion.

Accounting services rendered during the month of May 2020

\$ 635.00

Total Amount Due: \$ 635.00

Payment Due Upon Receipt

If you prefer to pay by credit card
pay online at: <https://pdr-cpa.com/payment-page>
or call our office with your credit card information

Interest at 1-1/2% will be added to balance outstanding at the end of each month.
Please return top portion with your check payable to: **PDR CPAs + Advisors**



Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
May 1 - May 31, 2020

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
5/15/2020	Accounting Services	GAH	Reviewed Bank and Fund Accounting Balance Reconciliation	1.00	\$ 155.00	\$ 155.00
5/20/2020	Accounting Services	WEP	Discussed re: IRS Filings and Other Duties during Conference Call	0.50	\$ 320.00	\$ 160.00
5/20/2020	Accounting Services	WEP	Reviewed Copies of Prior Tax Returns for Entities in Receivership	1.00	\$ 320.00	\$ 320.00
Total Accounting & Auditing				2.50		\$ 635.00

Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC	2.50	\$ 635.00
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**PDR CPAs + Advisors
By Activity Category
May 1 - May 31, 2020**

<u>Activity Category</u>	<u>Amount</u>
Accounting & Auditing	<u>\$ 635.00</u>
Grand Total for May 2020	<u>\$ 635.00</u>



PDR CPAs + Advisors
Total Hours and Dollars by Timekeeper
May 1 - May 31, 2020

<u>Initials</u>	<u>Name</u>	<u>Level</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
WEP	William E. Price	CPA	\$ 320.00	1.50	\$ 480.00
GAH	Gail Heinold	Staff	\$ 155.00	1.00	\$ 155.00
Total Billed for May 2020				2.50	\$ 635.00



4023 Tampa Road
Suite 2000
Oldsmar, FL 34677
727-785-4447

Invoice Date: 06/30/2020
Client Number: 45510.001
Invoice Number: 180261

Mark A. Kornfeld, Esq Receiver for Kenetic
Investment Group, LL
101 East Kennedy Blvd, Suite #3400
Tampa, FL 33602

Detach here and return top portion.

Accounting services rendered during the month of June 2020

Current Invoice Amount	\$	1,005.25
Prior Balance		<u>2,751.00</u>
Total Amount Due	\$	<u>3,756.25</u>

0 - 30	31- 60	61 - 90	91 - 120	Over 120	Balance
1,005.25	661.00	2,090.00	0.00	0.00	3,756.25

Payment Due Upon Receipt.

If you prefer to pay by credit card
pay online at: <https://www.pdr-cpa.com/payment-page>
or call our office with your credit card information

Interest at 1-1/2% will be added to balance outstanding at the end of each month.
Please return top portion with your check payable to: **PDR CPAs + Advisors**

Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
June 1 - June 30, 2020

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
6/5/2020	Accounting & Auditing	PDR CPAs	Out-of-Pocket Expense: Researched and discussed return preparation with unreliable records with BDO Alliance	-	-	\$ 380.25
6/26/2020	Accounting & Auditing	SAO	Prepared accounting documents for CPA	0.50	\$ 130.00	\$ 65.00
	Total Accounting & Auditing			0.50		\$ 445.25
6/8/2020	Consulting	WEP	Researched tax questions	1.00	\$ 320.00	\$ 320.00
6/25/2020	Consulting	WEP	Reviewed accounting documents	0.75	\$ 320.00	\$ 240.00
	Total Consulting			1.75		\$ 560.00
Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC				<u>2.25</u>		<u>\$ 1,005.25</u>



**PDR CPAs + Advisors
By Activity Category
June 1 - June 30, 2020**

<u>Activity Category</u>	<u>Amount</u>
Accounting & Auditing	\$ 445.25
Consulting	<u>\$ 560.00</u>
Grand Total for June 2020	<u>\$ 1,005.25</u>



PDR CPAs + Advisors
Total Hours and Dollars by Timekeeper
June 1 - June 30, 2020

<u>Initials</u>	<u>Name</u>	<u>Level</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
WEP	William E. Price	CPA	\$ 320.00	1.75	\$ 560.00
PDR	PDR CPA's + Advisors, Inc.	-	\$ 380.25	-	\$ 380.25
SAO	Sharon O'Brien	Staff	\$ 130.00	0.50	\$ 65.00
Total Billed for June 2020				2.25	<u>\$ 1,005.25</u>



**PDR CPAs + Advisors
By Activity Category
June 1 - June 30, 2020**

<u>Activity Category</u>	<u>Amount</u>
Accounting & Auditing	\$ 445.25
Consulting	<u>\$ 560.00</u>
Grand Total for June 2020	<u>\$ 1,005.25</u>



PDR CPAs + Advisors
Total Hours and Dollars by Timekeeper
June 1 - June 30, 2020

<u>Initials</u>	<u>Name</u>	<u>Level</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
WEP	William E. Price	CPA	\$ 320.00	1.75	\$ 560.00
PDR	PDR CPA's + Advisors, Inc.	-	\$ 380.25	-	\$ 380.25
SAO	Sharon O'Brien	Staff	\$ 130.00	0.50	\$ 65.00
Total Billed for June 2020				2.25	<u>\$ 1,005.25</u>

EXHIBIT 6f

Working Hours Log - April 23 2020

Telephonic call to Luke Cass regarding collection computers in San Juan for forensic analysis	6 minutes
Electronic Communication & two attempts to contact Mr Luis Borrero regarding production of computers	7 minutes
Telephonic calls to Mr Ruben Vazquez regarding computers	2 minutes
Total Time (\$85 per Hour)	15 minutes
Total	\$21.25

Working Hours Log - April 24 2020

Started working @ 10:15am

Home to Calle Tetuan 512, Viejo San Juan

Open and monitor building for appraiser's inspection

Finished @ 12:20pm	2 hours 5 minutes	\$177.08
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Telephonic call to Mr. Ruben Vazquez at SupportPR
regarding computers to be analyzed

1 minute	\$1.41
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Telephonic call to Ms. Dayli Ortiz regarding surrender of
computers to Receiver

3 minutes	\$4.25
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Total working hours

2 hours 9 minutes

(\$85 per hour)	\$182.74
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Parkings

Dona Fela	\$2.80
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Total

\$185.54

Working Hours Log - April 27 2020

Telephonic call to Luke Cass regarding computers to be
shipped to Receiver for forensic analysis and appraisals
for commercial property

3 minutes

Telephonic call to Ruben Vazquez regarding computers

2 minutes

Total Time
(\$85 per Hour)

5 minutes

Total

\$7.08

Working Hours Log - April 28 2020

Telephonic call to Luke Cass regarding Relief Defendant's computers	2 minutes
Telephonic call to Ruben Vazquez regarding collecting computers for analysis	1 minutes
Telephonic calls to Ms Dayli Ortiz regarding Defendant's surrender of computers	2 minutes
Started working @ 1:00PM	
Coordinate transfer of three computers to Mr. Vazquez for recovery of evidence	
Finished @ 2:15pm	45 minutes
Create Reports 1 & 2 memorializing recovery of computers	26 minutes
Total Working Hours	1 hour 16 minutes
(\$85 per hour)	1.27
Total	\$107.67

Working Hours Log - May 11 2020

Telephonic call to Luke Cass regarding computers to be shipped to Receiver	2 minutes
Telephonic call to Mr Ruben Vazquez regarding computers to be shipped to	2 minutes
Telephonic calls to Mr Ruben Vazquez regarding computers to be shipped to	2 minutes
Conference Call Mr Ruben Vazquez, Luke Cass, Rory regarding computers to be shipped to Receiver	13 minutes
Total Time	19 minutes
(\$85 per Hour)	
Total	\$26.91

Working Hours Log - June 3 2020

Started @ 10:30 am

Coordinate and obtain CPU's from Mr.

Ruben Vazquez, Trujillo Alto, PR for shipping
to Receiver

Ended @ 11:20 am

20 minutes

Total Working Time
(\$85 per hour)

20 minutes

Total

\$28.33

Working Hours Log - June 12 2020

Started @ 10:00 am (FedEx Station, Guaynabo,PR))

Coordinate chain of custody and shipment of 3
computers to Receiver for forensic analysis

Ended @ 11:20 am 50 minutes

Total Working Time 50 minutes
(\$85 per hour)

Sub Total \$70.83

FedEx (CPUs' shipping) \$127.56

Sub Total \$127.56

Total \$198.39

Working Hours Log - June 25 2020

Started @ 7:45 am (Attorney Todd Merer's Office) Coordinate and obtain documents being produced by Jamene Pinnow Ended @ 9:35 am	80 minutes
Started @ 12:15 pm (UPS) Coordinate chain of custody and shipping of documents produced by Pinnow to Receiver Ended @ 2:00 pm	75 minutes
Total Time Working Time (\$85 per hour)	155 minutes
Sub Total	\$219.58
Office Depot (2 banking boxes, shipping tape)	\$3.57
Parking @ Ballaja	\$2.23
Sub Total	\$5.80
Total	\$225.38

EXHIBIT 7

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KINETIC INVESTMENT GROUP, LLC and
MICHAEL SCOTT WILLIAMS,

CASE NO.: 8:20-cv-394

Defendants, and

KINETIC FUNDS I, LLC,
KCL SERVICES, LLC d/b/a LENDACY,
SCIPIO, LLC, LF 42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and KIH, INC.,
f/k/a KINETIC INTERNATIONAL, LLC,

Relief Defendants.

ORDER GRANTING RECEIVER'S SECOND INTERIM OMNIBUS
APPLICATION FOR ALLOWANCE AND PAYMENT OF PROFESSIONALS'
FEES AND REIMBURSEMENT OF EXPENSES
FOR APRIL 1, 2020 - JUNE 30, 2020

THIS CAUSE came before the Court on the Receiver's (the "**Receiver**") Second Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for April 1, 2020 through June 30, 2020 (Doc. __) (the "**Application**"). With the Court having considered the Application, reviewed the file, and finding that cause exists to grant the Application, it is hereby ORDERED as follows:

1. The Application is **GRANTED**.

2. The Court awards the following sums and directs that payment be made from Receivership assets:

Mark A. Kornfeld and Quarles & Brady	\$ 202,447.49
Yip & Associates	\$ 91,577.30
E-Hounds	\$ 7,110.00
Peters, LaPlaca, and Fuste	\$ 360.00
International Intelligence Group, LLC	\$ 1,013.08
PDR CPAs + Advisors	\$ 3,457.75

DONE and ORDERED this ____ day of _____, 2020 in the Middle District of Florida.

UNITED STATES DISTRICT COURT JUDGE