

**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,  
SCIPPIO, LLC, LF 42, LLC, EL MORRO  
FINANCIAL GROUP, LLC, and KIH, INC.,  
f/k/a KINETIC INTERNATIONAL, LLC,**

**Relief Defendants.**

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**RECEIVER'S UNOPPOSED MOTION FOR  
AUTHORIZATION TO EMPLOY IRW LAW OFFICE**

Mark A. Kornfeld, Esq., as Receiver (the “Receiver”) appointed over Defendant Kinetic Investment Group, LLC and Relief Defendants Kinetic Funds, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, and KIH Inc., f/k/a Kinetic International, LLC (collectively, the “Receivership Entities”), pursuant to the Court’s March 6, 2020 Order Granting Plaintiff Securities and Exchange Commission’s Emergency Motion for Appointment of Receiver (the “Order Appointing Receiver”) (Doc. 34), hereby files this Motion for Authorization to Employ IRW Law Office (“IRW”) to assist the Receiver with the sale of real estate assets located in San Juan, Puerto Rico,

including but not limited to the historic bank building located at 152 Tetuan Street, San Juan, Puerto Rico (the “Bank Building”), and states as follows:

1. This action commenced on February 20, 2020, with the filing of the Securities and Exchange Commission’s (“Commission”) Complaint against Defendants and Relief Defendants, the Commission’s Emergency Motion and Memorandum of Law for Asset Freeze and Other Relief (Doc. 2), and the Commission’s Emergency Motion and Memorandum of Law for Appointment of Receiver (Doc. 3).

2. Following a hearing on March 6, 2020, this Court entered the Order Appointing Receiver appointing Mark A. Kornfeld, Esq., as Receiver of all assets of the Receivership Entities. Pursuant to the Order Appointing Receiver, the Receiver is authorized to, among other things, “solicit persons and entities...to assist him in carrying out the duties and responsibilities described in this Order.” *See* Order Appointing Receiver at ¶ 52. Prior to engaging any such professionals, the Receiver must first obtain an Order of this Court authorizing such engagement. *Id.* Any professionals that the Receiver engages with this Court’s approval are “entitled to reasonable compensation and expense reimbursement from the Receivership Estates as described in the ‘Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission’... agreed to by the Receiver.” *Id.*

3. The Receivership Estate currently contains real property consisting of a luxury apartment multiplex and the Bank Building. The Bank Building is a historic and unique parcel of real property located in Old San Juan, Puerto Rico that was purchased in May 2018. After taking possession of the Bank Building, the Receiver enlisted the services

of a real estate broker to assist him in the sale of the Bank Building. The Receiver has received several offers to date, and has determined to accept an offer to purchase the building for \$2.1 million. Given that the sale of real estate in Puerto Rico is governed by specific rules and regulations (including that the transactional documents are typically prepared in Spanish), the Receiver seeks to engage local counsel in Puerto Rico familiar with this process to assist with the preparation and execution of the necessary sale documentation. The Receiver will then seek the Court's approval of the sale.

4. Pursuant to the Order Appointing Receiver, the Receiver seeks this Court's approval to engage IRW as real estate attorneys in Puerto Rico to provide the Receiver with real estate services in connection with the sale of real property in Puerto Rico, including the Bank Building. These services include preparation and execution of the deed of purchase and sale, as well as other assistance in fulfilling his duties under the Order Appointing Receiver.

5. IRW is a boutique real firm located in San Juan, Puerto Rico with extensive experience assisting clients with real estate transactional services. Ms. Ivonne Rodriguez Wiewall, the founder of IRW, will assume primary responsibility for this undertaking.

6. In consideration for the services IRW will provide to the Receiver, the Receiver proposes to pay IRW fees based on the time expended by its attorneys, consultants, and staff (based on invoices submitted by IRW, payment of which is subject to this Court's approval). The Receiver understands that Puerto Rico law sets the fees and costs for real estate deeds based on the value of the purchase price, and IRW has previously estimated that the statutory fees and expenses expected to be incurred for a

\$2 million sale price will total approximately \$21,269. For any services that would be outside of the statutory fees and expenses, the proposed hourly rates charged by IRW for this matter will be \$250 for the lead attorney, \$225 for senior attorneys, \$175 for junior attorneys, \$150 for tax consultants, \$150 for senior assistants, and \$85 for junior assistants.

7. The Receiver will take all steps to ensure that there is no duplication of efforts or expenses between or among any of the professionals he engages with the approval of this Court.

8. IRW has informed the Receiver that it does not have any conflict with serving the Receiver in this case.

WHEREFORE, the Receiver respectfully requests that this Court enter the proposed Order attached as **Exhibit A**, authorizing the Receiver to employ IRW to provide real estate legal services to the Receiver in Puerto Rico in connection with the sale of real property, including but not limited to the Bank Building, and for such other and further relief as is just and proper.

**LOCAL RULE 3.01(g) CERTIFICATION**

Pursuant to Local Rule 3.01(g), the undersigned certifies that counsel for the Receiver conferred with counsel for the Commission and counsel for Defendant Michael Williams prior to filing this Motion and both counsel have indicated that they do not oppose the relief requested in this motion.

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*Counsel for the Receiver*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 22nd day of October, 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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/s/ Jordan D. Maglich

Attorney

# **EXHIBIT A**

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
TAMPA DIVISION

SECURITIES AND EXCHANGE COMMISSION,

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**ORDER GRANTING RECEIVER'S UNOPPOSED MOTION FOR  
AUTHORIZATION TO EMPLOY IRW LAW OFFICE**

**THIS CAUSE** came before the Court on Mark A. Kornfeld, as Receiver's (the "Receiver") Unopposed Motion for Authorization to Employ IRW Law Office (the "Motion") (Doc. \_\_\_\_). With the Court having considered the Motion, reviewed the file, and finding that cause exists to grant the Motion, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED**.

2. As set forth in the Motion, the Receiver is authorized to retain IRW Law Office to provide legal services related to the sale of real estate in Puerto Rico.

**DONE** and **ORDERED** this \_\_\_\_ day of \_\_\_\_\_, 2020 in the Middle District of Florida.

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**UNITED STATES DISTRICT COURT JUDGE**