

**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-00394

Defendants, and

**KINETIC FUNDS I, LLC,
KCL SERVICES, LLC d/b/a LENDACY,
SCIPIO, LLC, LF42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and
KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

**RECEIVER'S FOURTH INTERIM OMNIBUS APPLICATION
FOR ALLOWANCE AND PAYMENT OF PROFESSIONALS' FEES
AND REIMBURSEMENT OF EXPENSES FOR
OCTOBER 1, 2020 – DECEMBER 31, 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

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

professionals whose retention has been approved by the Court. *See* Docs. 41-43, 47, 154. This motion covers all fees and costs incurred from October 1, 2020, through December 31, 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, and Defendant Williams does not take a position on the Motion. In support thereof, the Receiver states as follows:

I. Preliminary Statement

The Receiver seeks Court approval to pay the sum of \$82,600.25 to the professionals engaged by the Receiver for fees incurred and reimbursement of \$6,537.98 in expenses for a total payment of \$89,138.23. This Application includes time billed for the three-month period from October 1, 2020 through December 31, 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 Motion,² 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. Obtained Court Approval For And Executed A Major Settlement Providing Nearly \$8 Million Benefit To Receivership Estate

- The Receiver and his Retained Professionals discovered the existence of significant margin obligations totaling over \$12 million in the brokerage account maintained by Kinetic Funds at Interactive Brokers. Following a comprehensive investigation, the Receiver ultimately filed a Motion seeking the Court's approval for his determination that a significant portion of that balance was incurred for the benefit of two Kinetic Funds investors and that Kinetic Funds should not be financially or legally responsible for those amounts. The Receiver's ensuing negotiations with those investors culminated in a Court-approved settlement resulting in a net benefit of nearly \$8 million to the Receivership Estate (Doc. 152). Following the Court's approval, the Receiver and his professionals carried out the terms of the settlement including the repayment of those margin obligations, the receipt of the two investors' settlement payment, and the transfer of all remaining net proceeds from Interactive Brokers to the Receiver's fiduciary accounts for safeguarding and eventual distribution to investors.

2. Obtained Court Approval of Claims Process Framework And Distributed Proof Of Claim Packets To Over 100 Potential Claimants And Creditors

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

- Following an investigation and analysis, and with assistance from his Retained Professionals, the Receiver previously filed (in Q3 2020) his Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim For; and (iii) Claims Bar Date and Notice Procedures (the “Claims Motion”) which, in relevant part, sought Court approval for the procedures and framework for a claims process. After the Court entered an Order approving the Claims Motion on November 5, 2020, the Receiver and his professionals carried out that Order by, among other things, mailing out over 100 “proof of claim” informational and directional packets to potential claimants and creditors, as well as publishing formal notice of the claims process and claim bar date on the Receiver’s website and as directed by the Court in the New York Times, the Sarasota Herald Tribune, and El Nuevo Dia.

3. Continued To Market And Sell Puerto Rico Properties

- The Receiver was able to trace investor funds to the purchase of two properties in Puerto Rico: a luxury apartment multiplex used as Defendant Williams’ primary residence (the “Apartment”) and a historic bank building known as the El Banco Espanol building (the “Bank Building”). Both properties are located in San Juan, Puerto Rico. The Receiver previously reached an agreement with Defendant Williams regarding the turnover of the apartment multiplex. The Receiver has obtained two appraisals of the Apartment and is working to obtain a final appraisal before listing the property for sale. The Receiver worked with a broker to list the Bank Building for sale, which resulted in numerous offers and the Receiver ultimately entering into an agreement to sell the building for \$2.1 million (exclusive of costs, commissions, and other expenses). The Receiver has received an earnest money deposit pursuant to that agreement and intends to seek court approval of the sale of the Bank Building in the near future.

4. The Third Interim Report

- The Receiver prepared and filed his Third Interim Report (Doc. 150) on October 30, 2020, which provided a comprehensive summary, analysis, and supporting documentation of the Receiver’s continuing investigation as well as the tracing of investor funds.

5. 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. To the extent the Receiver determines any such claims may be viable, he will consult with the Commission and ultimately seek the Court's guidance and approval.

6. 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.

7. Obtained Court Approval For Liquidation of Personal Property from Sarasota Office

- The Receiver filed his Unopposed Motion to Liquidate Personal Property on October 21, 2020, which was granted by the Court on November 5, 2020 (Doc. 153). Pursuant to the Order, the Receiver is working to liquidate and dispose of personal property from Kinetic Funds' Sarasota, Florida office with an individual value of \$5,000 or less.

8. Continued Investor Outreach and Website Updates

- The Receiver responded to phone calls and written communications from Kinetic Funds investors and 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 Fourth Interim Report which was filed on February 1, 2021 (Doc.175) (the "Fourth Report"), as well as the Receiver's First Interim Report which was filed on April 30, 2020 (Doc. 60), Second Interim Report which was filed on July 30, 2020 (Doc. 111), and Third Interim Report which was filed on October 30, 2020 (Doc. 150). Each of those documents is also available on the Receiver's website at

www.kineticreceivership.com. The Receiver incorporates the Fourth Report into this Application and attaches a true and correct copy of the Fourth 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. 1.³

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

³ On April 27, 2020, Williams served his Answer and Affirmative Defenses largely denying the Commission's allegations (Doc. 56).

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 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 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 was held on August 28, 2020, but resulted in an impasse (Doc. 132).

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: October 1, 2020 – December 31, 2020.

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

(c) Date services commenced: February 14, 2020.⁴

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

(e) Interim or Final Application: Interim.

(f) Records supporting fee application: See below.

⁴ 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.

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:

Exhibit 5(a): Quarles & Brady LLP

Exhibit 5(b): Buchanan Ingersoll & Rooney PC⁵

Exhibit 5(c): Yip & Associates

Exhibit 5(d): E-Hounds

Exhibit 5(e): PDR CPAs + Advisors

Exhibit 5(f): IRW Law Offices

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): Buchanan Ingersoll & Rooney PC

Exhibit 6(c): Yip & Associates

⁵ Both the Receiver and his lead counsel moved to Buchanan Ingersoll & Rooney PC ("Buchanan Ingersoll") on December 14, 2020. The Receiver filed an unopposed motion seeking approval of his retention of Buchanan Ingersoll on December 8, 2020, which indicated that the previously-approved rates of the Receiver and his legal professionals would remain the same at Buchanan Ingersoll (Doc. 158). The Court entered an Order granting the motion on December 10, 2020 (Doc. 159).

Exhibit 6(d): E-Hounds

Exhibit 6(e): PDR CPAs + Advisors

Exhibit 6(f): IRW Law Offices

Exhibit 6(g): K.Tek Systems, Inc.

IV. Case Status

(a) Cash on hand

As of the date of filing this Application, the Receivership bank accounts have a cumulative balance of \$16,578,497.25.⁶ The Receiver also took possession of various sub-accounts at Interactive Brokers held by Kinetic Funds (the “KF Brokerage Account”), including several sub-accounts which appear to have been managed separately from Kinetic Funds (the “Other Accounts”) and the existence of approximately \$12 million in margin obligations. The Receiver reached a settlement with the owners of the Other Accounts providing for a resolution of the roughly \$12 million in margin obligations across the KF Brokerage Account as well as the transfer of the net proceeds to the Receiver’s fiduciary accounts, and filed a motion on September 30, 2020, seeking the Court’s approval of that settlement as well as the closing of the KF Brokerage Account (the “Settlement Motion”) (Doc. 141).

⁶ This balance includes approximately \$413,000 in funds previously held in Mr. Williams’ prior counsel’s trust account and which were subsequently transferred to the Receiver’s fiduciary accounts to be held in trust pending further Order from the Court. In the interim, the Court has authorized the payment of various living and legal expenses to or for Mr. Williams’ benefit. This balance does not include an additional approximately \$205,000 which 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 funds comprise Receivership Property.

The Court entered an Order granting the Settlement Motion on November 5, 2020 (Doc. 152) which, in relevant part, authorized the Receiver to carry out the proposed settlement and liquidate the KF Brokerage Account. The Receiver, with the assistance of his Retained Professionals, took necessary steps to comply with the Order resulting in the repayment of the remaining margin obligations and subsequently transferring net proceeds of approximately \$5.5 million from the KF Brokerage Account to the Receiver's fiduciary accounts at ServisFirst Bank. This transfer was in addition to the settlement payments totaling approximately \$3.4 million paid by the Fogarty Family to the Receiver pursuant to the Settlement Motion.

(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 available, leveraging the use of professionals with favorable rate structures.

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 instituting a Court-approved framework to return funds to victims. These efforts have included obtaining approval of the proposed claims process framework and ultimately sending out over 100 proof of claim packets to potential claimants and creditors, marketing and reaching a

tentative agreement to sell the El Banco Espanol building in Puerto Rico, closing out Kinetic Funds' brokerage accounts and transferring the net proceeds to the Receiver's fiduciary accounts, and continuing to investigate the underlying business operations and additional potential avenues for asset recovery. 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, along with his Retained Professionals, has analyzed 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. Complicating this analysis was 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.

On August 19, 2020, the Receiver filed his Amended Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim Form; and (iii) Claims Bar Date and Notice Procedures on August 20, 2020 (the "Claims Motion") (Doc. 131). On November 5, 2020, the Court entered an Order granting the Claims Motion (Doc. 155). In compliance with the Court's Order, the

Receiver mailed out over 100 proof of claim packets to potential claimants and creditors on November 17, 2020, published notification of the claim bar date of **February 15, 2021** in specified newspapers and his website, and filed his Notice of Publication and Claim Bar Date (Doc. 165). After receiving and reviewing all Proof of Claim Forms that are timely submitted on or before the proposed claims bar date, the Receiver will then present his claim determinations for the Court's approval and seek authority to proceed with an initial distribution. 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 addition 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 Fourth 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.

V. Services Provided And Compensation Sought By The Professionals

(a) Services Provided By The Receiver And Quarles & Brady LLP/Buchanan Ingersoll & Rooney PC

The Receiver is a Shareholder at the law firm of Buchanan Ingersoll & Rooney PC (“Buchanan Ingersoll”). The Receiver has practiced law for nearly thirty years and has experience handling fraud recovery cases. The Receiver initially obtained Court approval to retain the services of Quarles & Brady, LLP (“Quarles & Brady”) to serve as his legal counsel. 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. As of December 14, 2020, the Receiver and his lead counsel (Jordan D. Maglich) became associated with Buchanan Ingersoll. The Court approved the retention of Buchanan Ingersoll on December 9, 2020 (Doc. 159), including Buchanan Ingersoll’s agreement to continue the reduced billing rate of the Receiver and his professionals as existed.

The standard hourly rate which the Receiver charges clients begins at (and often exceeds) \$625. 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 66.0 hours expended on this Receivership, consisting of 57.7 hours expended by the Receiver at Quarles & Brady and 8.3 hours expended by the Receiver at Buchanan Ingersoll. A copy of the statements summarizing the services rendered by the Receiver are attached hereto as **Exhibit 6(a)** and **6(b)**. The Receiver requests the Court award him fees for the professional services rendered from October 1, 2020 through December 31, 2020, in the amount of \$28,875.00.

During the period covered by this Application, Quarles & Brady and Buchanan Ingersoll spent 136.0 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver but only seek compensation for 113.6 hours expended by legal professionals at Quarles & Brady and 7.6 hours expended by legal professionals at Buchanan Ingersoll. The statements summarizing the services rendered by Quarles & Brady and Buchanan Ingersoll are also encompassed within **Exhibits 6(a)** and **6(b)** attached hereto. The work performed by Quarles & Brady, and subsequently Buchanan Ingersoll, 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. For the period from October 1, 2020, through December 31, 2020, the Receiver requests that the Court award (i) Quarles & Brady fees for professional services rendered and costs incurred in the amounts of \$29,158.50 and \$3,912.98,

respectively, and (ii) Buchanan Ingersoll for professional services rendered in the amount of \$2,242.00.

The Receiver and his legal professionals with Quarles & Brady (and subsequently Buchanan Ingersoll) 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. Yip & Associates also provided necessary services to allow the Receiver to analyze and determine the appropriate method and process for distributing funds back to investors and interested parties with approved claims, which ultimately resulted in the Receiver's mail-out of over 100 proof of claim packets to potential claimants and creditors.

During the period covered by this Application, Yip & Associates billed 68.5 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, but only seeks compensation for 65.3 of those hours consisting of fees in the sum of \$16,698.50. 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 from October 1, 2020, through December 31, 2020, in the amount of \$16,698.50.

(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- 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.⁷ 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

⁷ 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.

for the foreseeable future. During the period covered by this Application, E-Hounds seeks reimbursement of expenses in the sum of \$2,625.00. 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 costs incurred from October 1, 2020, through December 31, 2020, in the amounts of \$2,625.00.

(d) 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 \$2,340.00 as set forth in the invoices attached as **Exhibit 6(e)**. The Receiver requests that the Court award PDR fees for professional services rendered incurred from October 1, 2020, through December 31, 2020, in the amount of \$2,340.00.

(e) Services Provided By IRW Law Offices.

In connection with his efforts to market and sell various Receivership real property located in Puerto Rico, the Receiver obtained Court approval to retain the services of IRW Law Offices (“IRW”) to provide legal services to the Receiver regarding those efforts. (Doc. 154). This includes the preparation of necessary sale-related documents and other services to assist the Receiver in performing his duties.

During the period covered by this Application, the Receiver required IRW's assistance in connection with the marketing and sale of the El Banco Espanol building in San Juan, Puerto Rico. During this period, IRW seeks compensation for 14.9 hours expended on this matter and billed the Receiver \$3,136.25 as set forth in the invoices attached as **Exhibit 6(f)**. The Receiver requests that the Court award IRW fees for professional services rendered incurred from October 1, 2020, through December 31, 2020, in the amount of \$3,136.25.

(f) Services Provided By K.Tek Systems.

The Receiver obtained Court approval to retain the services of K.Tek Systems, Inc. ("K.Tek") to prepare a website to be used to communicate with interested parties including investors. Doc. 47. The Court previously approved the payment of K.Tek's invoices generated during March 2020 that would represent the hosting of the website through February 2021. During December 2020, the Receiver utilized 1 hour of K.Tek's services to create and upload content to the website's Claims Process section. K.Tek seeks compensation for the \$150 in fees it charged during this time period as set forth in the invoice attached as **Exhibit 6(g)**. The Receiver requests that the Court award K.Tek fees for professional services rendered incurred from October 1, 2020, through December 31, 2020, in the amount of \$150.00.

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 117395, *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, Esq. and Quarles & Brady	\$58,315.23
Mark A. Kornfeld, Esq. and Buchanan Ingersoll	\$5,873.25
Yip & Associates	\$16,698.50
E-Hounds	\$2,625.00
PDR CPAs + Advisors	\$2,340.00
IRW Law Offices	\$3,136.25
K. Tek Systems, Inc.	\$150.00

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, which does not oppose the requested relief. The Receiver has also conferred with counsel for Defendant Michael S. Williams, who takes no position on the requested relief.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

By: Jordan D. Maglich
Jordan D. Maglich, Esq. (FBN 0086106)
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Tampa, FL 33602
Telephone: (813) 222-2098
Facsimile: (813) 222-8189
Email: jordan.maglich@bipc.com
Attorneys for Receiver Mark A. Kornfeld

CERTIFICATE OF SERVICE

I hereby certify that on February 15, 2021, 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 Defendant Michael Williams

By: /s/ Jordan D. Maglich
Attorney

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 1



Oldsmar / Tampa / St. Petersburg

727-785-4447

813-498-1294

727-784-5491 Fax

www.pdr-cpa.com

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 October 1, 2020 to December 31, 2020 and from inception March 6, 2020 to December 31, 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
January 15, 2021

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 10/01/2020 to 12/31/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2020):			\$ 13,297,022.83
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	25,221.80		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,472,685.90		
Line 8	Miscellaneous - Other			
	Total Funds Available (Line 1 - 8):		3,497,907.70	16,794,930.53
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	177,808.10		
Line 10b	Business Asset Expenses	268.62		
Line 10c	Personal Asset Expenses	11,772.48		
Line 10d	Investment Expenses	17,744.86		
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		207,594.06	207,594.06
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)			207,594.06
Line 13	Ending Balance (As of 12/31/2020)			16,587,336.47

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 10/01/2020 to 12/31/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			16,587,336.47
Line 14a	Cash & Cash Equivalents			16,587,336.47
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			16,587,336.47
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 _____			

*Broker accounts U1364167 and U1364170 are not part on the Receivership and not included in above report.
Accounts were closed and transferred out to the investors

Receiver:
By: _____
Title
Date _____

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 03/06/20 to 12/31/2020

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	13,652,912.22		
Line 4	Interest/Dividend Income	78,612.71		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,472,685.90		
Line 8	Miscellaneous - Other	223,877.75		
	Total Funds Available (Line 1 - 8):		17,428,088.58	17,428,088.58
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	759,062.65		
Line 10b	Business Asset Expenses	9,365.96		
Line 10c	Personal Asset Expenses	20,601.84		
Line 10d	Investment Expenses	51,721.66		
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		840,752.11	840,752.11
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)			840,752.11
Line 13	Ending Balance (As of 12/31/2020)			16,587,336.47

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 03/06/20 to 12/31/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			16,587,336.47
Line 14a	Cash & Cash Equivalents		*	16,587,336.47
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			16,587,336.47
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 _____			

Receiver:
By: _____
Title
Date _____

Misc Items

Sale of Gold Coins 223,877.75

Total \$ 223,877.75

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

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

Relief Defendants.

_____ /

RECEIVER'S FOURTH 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 Fourth Interim Report (the “Fourth Report”) covering information and activity occurring from October 1, 2020 to December 31, 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 Fourth Report (October 1, 2020 to December 31, 2020), the Receiver and the team of retained professionals have engaged in significant activities including but not limited to:

1. **Entered Into Purchase And Sale Agreement To Sell The Banco Espanol Property For \$2.1 Million**

- The Receiver previously traced investor funds to the purchase of two properties in Puerto Rico: a luxury apartment multiplex used as Defendant Williams' primary residence (the "Apartment") and a historic bank building known as the El Banco Espanol building (the "Bank Building"). As more fully set forth in the Receiver's Motion for Approval of the (1) Private Sale of El Banco Espanol Building Located at 152 Tetuan Street, San Juan, Puerto Rico; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated With the Sale of the Property filed on January 29, 2020 (Doc. 174), the Receiver's extensive marketing efforts ultimately resulted in his acceptance of a \$2.1 million offer to purchase the Bank Building and the receipt of an earnest money deposit of \$63,000. As the Receiver is not aware of any liens or encumbrances on the Bank Building, if approved the completed sale will result in a **net recovery of approximately \$2 million** for the benefit of the Receivership Estate.

2. **Obtained Court Approval For And Executed A Major Settlement Providing Nearly \$8 Million Benefit To Receivership Estate**

- The Receiver and his Retained Professionals discovered the existence of significant margin obligations totaling over \$12 million in the brokerage account maintained by Kinetic Funds at Interactive Brokers. Following a comprehensive investigation, the Receiver ultimately filed a Motion seeking the Court's approval for his determination that a significant portion of that balance was incurred for the benefit of two Kinetic Funds investors and that Kinetic Funds should not be financially or legally responsible for those amounts. The Receiver's ensuing negotiations with those investors culminated in a Court-approved settlement resulting in a net benefit of nearly \$8 million to the Receivership Estate (Doc. 152). Following the Court's approval on November 5, 2020, the Receiver and his professionals carried out the material terms of the settlement including the **receipt of the two investors' settlement payment of \$3.7 million**, repayment of the remaining \$7.7 million in margin obligations, and the transfer of **over \$5.5 million in remaining net proceeds** from Interactive Brokers to the Receiver's fiduciary accounts for safeguarding and eventual distribution to investors.

3. Obtained Court Approval of Claims Process Framework And Distributed Proof Of Claim Packets To Over 100 Potential Claimants And Creditors

- Following an investigation and analysis, and with the assistance of his Retained Professionals, the Receiver previously sought Court approval for the procedures and framework for a process to begin the process of distributing recovered assets to approved claimants. The Court entered an Order granting that motion on November 5, 2020. On November 17, 2020, the Receiver and his professionals carried out that Order by, among other things, mailing out over 100 “proof of claim” informational and directional packets to potential claimants and creditors, as well as publishing formal notice of the claims process and the **February 15, 2021 Claim Bar Date** with the Court (Doc. 165), on the Receiver’s website, and in the New York Times, the Sarasota Herald Tribune, and El Nuevo Dia.

4. Continued Marketing Efforts Of The Apartment

- Defendant Williams purchased the Apartment in March 2017 using approximately \$1.5 million in investor funds and subsequently used the Apartment as a primary residence and also rented out the adjoining unit to a tenant. The Receiver previously reached an agreement with Defendant Williams regarding the turnover of the Apartment. Following the parties’ impasse at mediation, the Receiver obtained two appraisals of the Apartment and is in the process of obtaining a final appraisal. The Receiver anticipates listing the property for sale this quarter and will seek the Court’s approval of any sale.

5. The Third Interim Report

- The Receiver prepared and filed his Third Interim Report (Doc. 150) on October 30, 2020, which provided a comprehensive summary, analysis, and supporting documentation of the Receiver’s continuing investigation as well as the tracing of investor funds.

6. 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. To the extent the Receiver determines any such claims may be viable, he will consult with the Commission and ultimately seek the Court’s guidance and approval.

7. 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.

8. Obtained Court Approval For Liquidation of Personal Property from Sarasota Office

- The Receiver filed his Unopposed Motion to Liquidate Personal Property on October 21, 2020, which was granted by the Court on November 5, 2020 (Doc. 153). Pursuant to the Order, the Receiver is working to liquidate and dispose of personal property from Kinetic Funds' Sarasota, Florida office with an individual value of \$3,000 or less.

9. Continued Investor Outreach and Website Updates

- The Receiver responded to phone calls and written communications from Kinetic Funds investors and 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, frozen, and liquidated cash assets for the benefit of victims, with a balance of **approximately \$16 million** currently in the Receiver's fiduciary bank accounts after the recent liquidation of Kinetic Funds' brokerage accounts and resolution of outstanding margin debt issues; (ii) secured significant real property assets and commenced the process of marketing and liquidating those assets which shall result in additional proceeds deposited with the Receivership Estate; and (iii) received Court approval to commence a claims process through which he intends to return recovered funds to approved claimants. The Receiver also continues to evaluate the viability and equities of advancing potential claims to recover additional funds for the benefit of

defrauded victims. Through these efforts, the Receiver has sought to and 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 Fourth 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 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 (Doc. 86) following the Receiver's execution of a Consent Judgment on behalf of the various Receivership Entities named in the Complaint, and the Court entered that Consent Judgment on November 5, 2020 (Doc. 156). The Commission and Williams mediated this case on August 28, 2020, which resulted in an impasse (Doc. 132).

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:

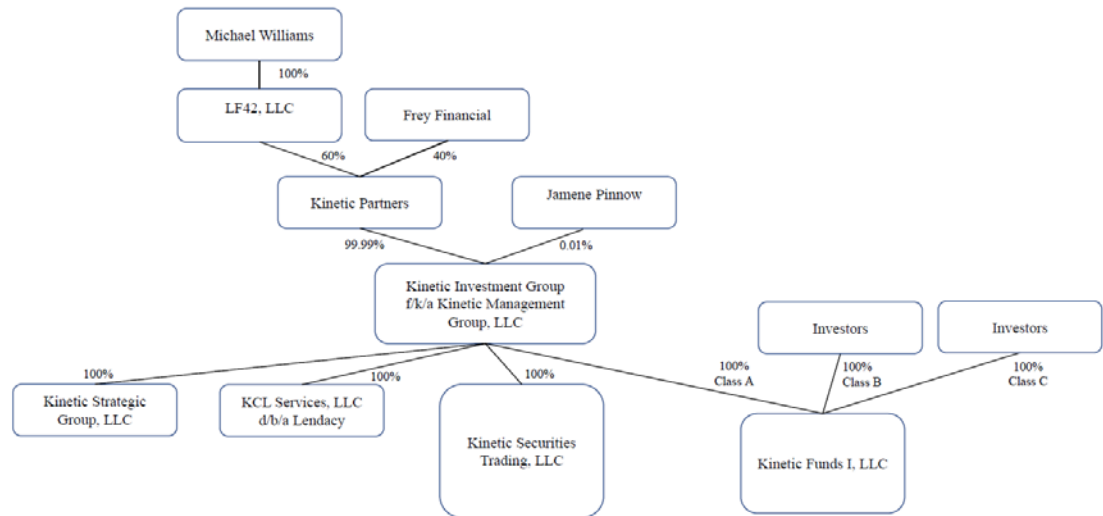
- “[S]hall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the Receivership Defendants under applicable state and federal law...” and “shall

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.

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

The Receiver's issuance of interim quarterly reports is intended to, among other things, present a detailed summary of various preliminary findings and ongoing investigation. 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 And Assets

i. Performance Discrepancies

Many investors were attracted to KFYield through promises of consistent investment returns made possible through lower risk, “principle [sic] protection,” and “maximum liquidity.” No later than early 2017, KFYield’s performance and other information were listed on Bloomberg, and those reports were provided to current and prospective investors showing that KFYield had achieved consistent positive returns. For example, the Q2 2019 Quarterly Report distributed to current investors included a Bloomberg report indicating that the fund had profitable monthly returns for 41 out of the 50 months during the period from April 2015 to June 2019 - including a streak of 21 consecutive months of positive monthly returns from October 2017 to June 2019.¹

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) ²	2.45%

¹ With the exception of a -3.33% monthly return in 2015, the fund’s performance for the remaining reported eight unprofitable months during that period ranged from -.02% to -.61%.

² The Receiver has not seen any information indicating that Kinetic Funds updated the Fund’s performance figures as reported by Bloomberg after September 2019.

Beginning in June 2014, Kinetic Funds moved its brokerage accounts for KFYield and other sub-accounts to Interactive Brokers.³ According to Interactive Brokers' Portfolio Analyst tool, the KFYield trading account's performance (and change in net asset value) from 2015 (the first full year at Interactive Brokers) to 2019 was:

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

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

For example, in the "Fourth Quarter 2017" quarterly report distributed by Kinetic Investment Group that included the fund's reported performance data on Bloomberg for that period, Williams stated that "[l]ast year maintained a conservative approach of over-hedging against potential market volatility." The Bloomberg report included with that Quarterly Report showed that, as of December 29, 2017, the fund had total assets of \$31.78 million and its year-to-date performance was 1.04%.

However, the 2017 annual statement produced by Interactive Brokers for KFYield's trading account showed that the account declined in value by over 25% during that period:

³ 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.

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	17,663,496.00	104,667,799.00	-219,768.00	104,438,041.00	86,784,546.00
Options	264,376.52	3,067,374.02	-13,927,674.85	-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	6,510,940.57	107,869,693.13	-103,126,312.65	4,734,380.58	-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, and that 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.⁴

Another portion of that statement entitled “Change in NAV” showed a breakdown of the annual change in the NAV during that period:

Change in NAV	Total
Starting Value	6,510,940.57
Mark-to-Market	-3,154,506.38
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	4,734,380.58

⁴ Unlike previous reports, which included the fund’s top 10 holdings as of the end of the relevant quarter, the 2017 Q4 report included the fund’s top holdings as of February 13, 2018 - approximately 45 days after the end of the relevant quarter and which were significantly different than the fund’s holdings as of December 29, 2017.

As the statement shows, the KFYield account generated nearly \$2 million in dividends during this period (which appeared to have largely been generated by using significant amounts of margin to purchase dividend-generating equities) but also incurred mark-to-market losses of over -\$3.1 million and paid over \$500,000 in commissions and margin interest charges.

Despite having open equity positions with a value of more than \$100 million as of December 29, 2017, the account statement shows that the vast majority of these holdings were purchased using margin and that the account value was actually \$4.734 million as of December 29, 2017. In other words, the account's liquidation would have generated less than \$5 million in net proceeds. The fund's reported NAV of roughly \$4.7 million (and thus value of its investment holdings) as of December 31, 2017, differs by over \$25 million compared to the total assets represented in the Bloomberg report for the same time period. Similarly, the account's annual decline of over 27% during 2017 is significantly different than the 1.04% increase represented in the Bloomberg report for the same period. 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.

ii. Apparent Shortfall

Based on the above-identified discrepancies, there appears to have been a shortfall between actual and reported fund assets since at least 2017. Using the late-2017 timeframe as an example, the December 2017 monthly statements distributed to KFYield investors show the total market value of the KFYield fund investments as nearly \$27 million.⁵ This

⁵ This figure also appears to differ from the Bloomberg report showing total assets of nearly \$32 million as of December 29, 2017.

theoretically is the amount of funds that were being held and managed on behalf of KFYield investors, and accordingly is the amount that would need to be returned in the event that all investors elected to redeem their investments.

However, it appears that Kinetic Funds had approximately half of the amount represented to KFYield investors readily accessible and available for withdrawal as of December 31, 2017. As of December 31, 2017, Kinetic Funds' bank account at BMO Harris (which held investor deposits) had a balance of approximately \$9.8 million, and KFYield's sub-account at Interactive Brokers had a value of approximately \$4.73 million. Thus, Kinetic Funds had approximately \$14.5 million of available cash or securities assets (which does not include margin obligations in Kinetic Funds' other sub-accounts at Interactive Brokers⁶). Although the Receiver understands that Kinetic Funds had extended various Lendacy loans to investors and non-investors, those unsecured loans were not assets that could be immediately called or otherwise converted to cash to meet investor redemptions. Indeed, in the event that Kinetic Funds' largest investor alone sought to liquidate its \$18 million investment (which did not have a corresponding Lendacy loan), it is unclear how Kinetic Funds would have been able to satisfy that redemption - let alone maintain continuity of operations. The Receiver continues to investigate the origin, extent, and duration of this shortfall.

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 - including nearly

⁶ For example, Kinetic Funds' master account had a negative margin balance of -\$7.3 million as of December 31, 2017 for which Kinetic Funds was legally responsible.

\$3.9 million alone from Kinetic Funds. 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.⁷ Based on the Receiver’s investigation, it appears that at least a portion of these 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. 47-53.⁸ The Receiver continues to investigate these discrepancies.

C. Lendacy’s Funding Source Was Kinetic Funds

Lendacy received approximately \$17 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

⁷ This also assumes that Kinetic Investment Group was entitled to receive this “expense ratio” fee even if a majority of investor funds were never deposited into brokerage accounts as represented.

⁸ 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.

below-market rates, were not typically collateralized, and contained little recourse in the event of default. Of those 28 loans, at least nine were made to insiders (such as Williams, his related entities, and employees) and non-KFYield investors.⁹ Many of the loans were also in default, and remained unpaid, at the time the Receiver was appointed on March 6, 2020.

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, 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 2013.¹⁰ 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. There were number of other Member Traders in VTrader that were unrelated to KST or Williams. KST and every other Member Traders’ trading accounts were assets of VTrader and essentially comingled. This meant that KST’s trading account was subject to VTrader’s obligations and third party claims and exposed to the losses and shortfalls incurred by other Member Traders.

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

⁹ With the exception of Williams, none of the remaining insider loan recipients had an underlying investment with KFYield, which means that their loan would have likely been funded with other investor funds.

¹⁰ See <https://brokercheck.finra.org/firm/summary/131920>.

investment in VTrader and convert it to Class A stock. The Receiver is also investigating whether KST leveraged its margin capabilities at its then-current broker-dealer to make any further investments in VTrader. VTrader subsequently collapsed, resulting in the loss of KST's \$1 million investment. It appears those losses were satisfied by (and correspondingly depleted) investor assets.¹¹ A K-1 was also generated showing a \$1 million loss for Kinetic Partners, LLC.

Between mid-2012 through the end of 2012, it appears KST moved its accounts out of VTrader and over to Bank of America/Merrill Lynch. 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.

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

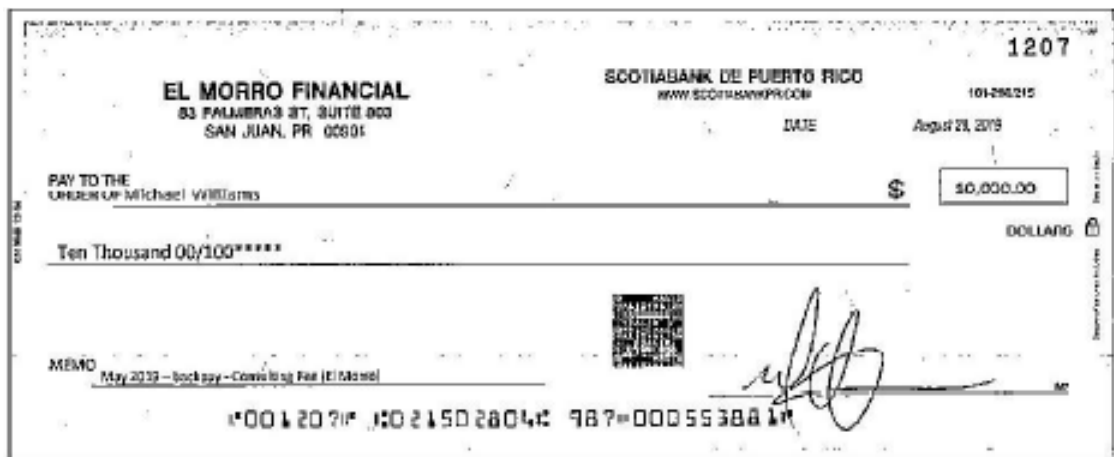
The Receiver's review of the financial transactions among the various Receivership Entities has allowed him to trace millions of dollars in investor funds that were transferred to or for the benefit of Defendant Williams and without any discernible authorized purpose or benefit to Kinetic Funds. As further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

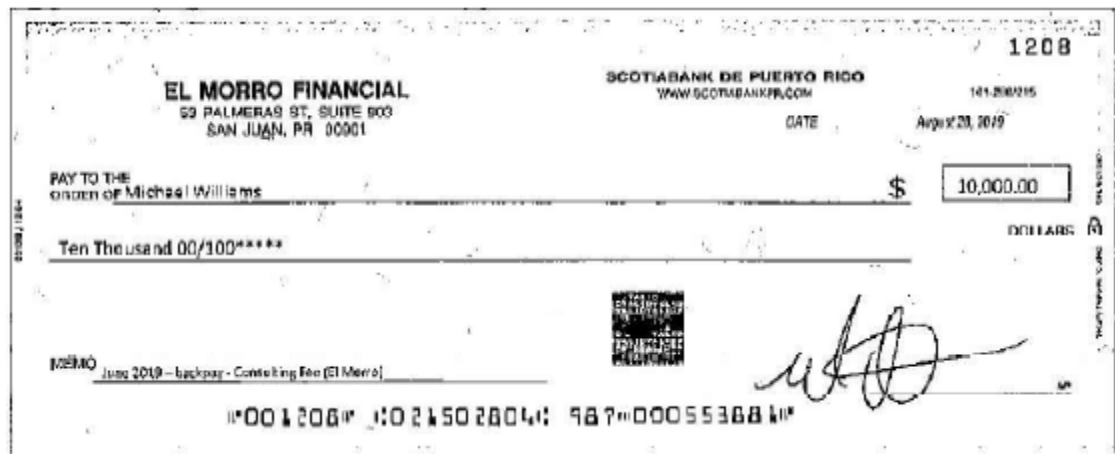
- The use of \$1.5 million in investor funds, later classified as a Lendacy loan, to purchase a luxury apartment multiplex in Puerto Rico and corresponding parking spaces. In addition to using one of the apartments as his primary residence, Williams also rented out one of the units to a tenant for which he

¹¹ 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.

received monthly rental income not turned over to Kinetic Funds (*See* First Report pp. 43-44);

- The use of \$2.755 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:





(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 - signed by Williams on behalf of KIG and LF42 and 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. Entered Into Purchase And Sale Agreement To Sell 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 \$2.775 million of funds traceable to 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 the Receiver is not aware of any 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.¹²

¹² Each of the appraisals referenced the building’s current state, with one appraisal observing

The Receiver determined that liquidating the Bank Building via a private sale would yield the maximum recovery for the receivership estate, and as a result, entered into a listing agreement with Mr. Benjamin Rivera with ODV Appraisal Group. Mr. Rivera listed and marketed the Bank Building and, after receiving various indications of interest and requesting best and final offers, ultimately received several offers ranging from \$1.124 million to \$2.1 million. The Receiver ultimately determined to accept the \$2.1 million offer which provided for a 90-day term for the buyer to secure financing. After the Court approved his Motion to retain local counsel in Puerto Rico to assist with this and any other real estate sales, the Receiver entered into a Purchase and Sale Agreement with the buyer on December 24, 2020. The Receiver filed a motion seeking Court approval of the proposed sale as well as notice and overbid procedures on January 29, 2021. Assuming the Court approves the \$2.1 million sale and there are no subsequent bona fide offers, the Receiver anticipates net proceeds from the sale of roughly \$2 million after factoring in commissions and associated expenses and fees. Upon the sale, the net proceeds will be deposited into the Receiver's fiduciary accounts.

B. Obtained Court Approval For And Executed A Major Settlement Providing Nearly \$8 Million Benefit To Receivership Estate

Immediately following his appointment, the Receiver obtained control of Kinetic Funds' brokerage account relationship at Interactive Brokers. In addition to containing various sub-accounts purportedly implementing the trading strategies offered by Kinetic Funds and consisting of approximately \$13 million in total cash and securities, the Receiver also discovered (i) two separate sub-accounts holding approximately \$10 million in securities

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."

positions, and (ii) approximately \$12 million in undisclosed total margin debt across several sub-accounts. As the named account holder, Kinetic Funds could have been obligated to repay these outstanding margin obligations, which would have significantly depleted available funds to return to Kinetic Funds investors.

The Receiver determined an investigation of the sub-accounts and margin debt was necessary as part of his duties to maximize potential assets for investors. The Receiver, through his retained professionals, determined that two separate sub-accounts belonged to Kinetic Funds investors Jon Fogarty and the Fogarty Family Revocable Trust dated September 14, 1971 (the “Fogarty Trust”) (collectively, the “Fogarty Family”) for whom Defendant Williams had been providing investment management services (unrelated to Kinetic Funds) for over a decade. These management services included a trading strategy leveraged through the use of margin, although the Interactive Brokers account documentation did not reveal how those margin obligations were originally incurred prior to the account’s opening in mid-2014.

The Receiver was able to obtain historical brokerage statements from Kinetic Funds’ previous account relationship with Bank of America Merrill Lynch (“BOA/ML”) for the period from January 1, 2013 to mid-2014 (when the account was transferred to Interactive Brokers).¹³ From those statements, the Receiver determined that the Fogarty Family sub-accounts had carried a sizeable margin balance that increased during that period until mid-2014 when Kinetic Funds moved its account relationship to Interactive Brokers. The

¹³ Although BOA/ML advised it did not have any responsive documents from that time period, the Receiver learned that Kinetic Funds had used an introducing broker to handle the account relationship while BOA/ML was used to custody the account assets. That introducing broker was no longer in business, but the Receiver was able to locate and subpoena its successor and obtain brokerage statements.

corresponding margin balances inexplicably did not appear to have been re-allocated to the Fogarty Family's new Interactive Brokers sub-accounts following the transfer; instead, those margin balances were essentially assumed by Kinetic Funds and maintained in a single sub-account at IB. That margin balance was subsequently partially paid down using Kinetic Funds' investor assets until it was repaid (and replaced) by Kinetic Funds' generation of a new margin loan of -\$7.346 million in June 2018 in a sub-account with account number ending in xxx2028 (the "KF 2028 Margin Balance), which continued to accrue interest and remained outstanding at the Receiver's appointment.

Following his investigation, 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 (the "Fogarty Motion") (Doc. 108) which, in relevant part, sought a declaration that the Fogarty Family was responsible for a significant portion of the approximately \$12 million in margin obligations present in the Interactive Brokers account. The Receiver also sought to partially liquidate assets from one of the Fogarty Family's sub-accounts to pay off the margin debt.

The Receiver remained in frequent communication with the Fogarty Family both before and after filing the Fogarty Motion. These communications eventually resulted in a settlement agreement that allowed Kinetic Funds to avoid nearly \$8 million of the roughly \$12 million in margin obligations owed to Interactive Brokers as of the date of the Receiver's appointment through a combination of payments from the Fogarty Family to the Receivership Estate and the Fogarty Family's assumption of margin obligations. The Receiver's motion

seeking approval of that settlement (Doc. 141) was granted by the Court on November 5, 2020 (Doc. 152). The Court's Order provided, in relevant part, for (i) the Fogarty Family's payment of \$3,472,685.90 to the Receiver (the "Settlement Payment"); (ii) the Fogarty Family's assumption of more than \$4 million in margin obligations; (iii) the transfer of the Fogarty Family's sub-accounts to their possession; and (iv) the Receiver's repayment of the remaining margin obligations (which outlay was effectively reduced by the receipt of the Settlement Payment) and transfer of the net account proceeds to the Receiver's fiduciary bank accounts.

The Receiver carried out the terms of the settlement, ultimately transferring the remaining net proceeds of \$5,507,476.88 from Interactive Brokers to his fiduciary accounts at ServisFirst Bank. As of the date of filing this Report, the current cash balance of the Receiver's fiduciary accounts at ServisFirst Bank is \$16,164,653.21.¹⁴

C. **Instituted Court-Approved Claims Process**

On August 20, 2020, the Receiver filed his Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim For; and (iii) Claims Bar Date and Notice Procedures (the "Claims Motion"). On November 5, 2020, the Court entered an Order granting the Claims Motion which established, in relevant part, the draft proof of claim form, the method to determine investor claims, timing and deadlines for submission of claims, and mechanisms to provide notice of the claims process. The Court also established a Claim Bar Date of 90 days following the mailing of Proof of Claim Forms to all potential

¹⁴ This balance does not include the \$416,388.11 balance of the bank account holding funds previously transferred by Williams' former counsel to the Receiver. Those funds have been used to make Court-approved transfers to Williams for living and other expenses and are currently being held in Trust by the Receiver pursuant to further direction from the Court.

claimants or investors. Pursuant to the Court's Order, any person or entity who failed to submit a completed proof of claim to the Receiver so that it is actually received by the Receiver on or before the Claim Bar Date is barred and precluded from asserting any claim against the Receivership or Receivership Entity.

On November 17, 2020, the Receiver mailed 141 claim packets to each known investor, other known potential creditors, and certain other individuals and/or entities, and he has continued to attempt to contact recipients whose claim packet was returned or otherwise undeliverable. Accordingly, **the Claim Bar Date is February 15, 2021**, and any person or entity who fails to submit a Proof of Claim so that it is **received** by the Receiver on or before that date (February 15, 2021) shall be forever barred and precluded from asserting a claim against the Receivership or Receivership Entities.¹⁵ The Receiver also published a Claim Bar Date Notice in (i) The New York Times on December 16, 2020; (ii) El Nuevo Dia on December 10, 11, 14, 15, 16, 17, and 18; and (iii) the Sarasota Herald Tribune on December 8, 9, 10, 11, 12, 15, and 16.¹⁶ On December 28, 2020, the Receiver filed his Notice of (i) February 15, 2021 Claim Bar Date and (ii) Publication of Claim Bar Date Notice (Doc. 165).

After the Claim Bar Date expires and the Receiver has evaluated all submitted claims, he will seek approval from this Court regarding: (i) allowed claim amounts; (ii) priority of claims; (iii) a process for the resolution of objections to claim determinations and priorities

¹⁵ To the extent any investor or potential creditor did not receive a claim packet, they may obtain a claim packet from the Receiver's website at <https://www.kineticreceivership.com/claimsprocess/> or they may contact Jordan D. Maglich at Jordan.maglich@bipc.com.

¹⁶ A copy of the Claim Bar Date Notice is also available on the Receiver's website at <https://www.kineticreceivership.com/wp-content/uploads/2020/12/Claim-Bar-Date-Notice.pdf>.

reached by the Receiver; and (iv) if needed, the establishment of reserves for administration of the Receivership, for litigation, and for disputed claims and priorities (until such time as the disputes are resolved). The Receiver will then, at the appropriate time, file a motion seeking Court approval of a proposed plan of distribution to those holding approved claims.

D. Efforts To Market The Villa Gabriella Luxury Apartment Multiplex In Puerto Rico

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” (“Villa Gabriella”) 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).

After the mediation between the Commission and Williams resulted in an impasse, the Receiver reached out to local appraisers and commissioned three appraisals of Villa Gabriella and the associated parking spots. The Receiver has received two of these appraisals and is currently working to obtain the third appraisal. Upon completion of the third appraisal, the Receiver intends to proceed with the marketing and liquidation of Villa Gabriella and the related parking spots.

E. Litigation Matters

The Receiver has also, as necessary, tended to various pending litigation matters in this case. The Receiver also continues to make monthly transfers to Williams to pay Court-ordered monthly living expenses (Doc. 95). 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), the Liquidation Plan (Doc. 92), the Second Report (Doc. 111), and the Third Report (Doc. 150). These documents and all other case filings are available on the Receiver's information website established at www.kineticreceivership.com.

F. 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 one non-party with a subpoena and continued efforts to obtain documents from other third parties.

G. 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.

H. Receivership Accounting

Receivership funds are currently being held at ServisFirst Bank. The Receiver has attached a standardized fund accounting report showing the total funds on hand and secured as of December 31, 2020 as **Exhibit 1**.¹⁷

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.¹⁸ These investigative efforts remain ongoing through the review of additional documents from (and, where necessary, interviews with) third parties. The Receiver continues

¹⁷ The report includes the bank account holding funds previously transferred by Williams' former counsel to the Receiver.

¹⁸ 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.

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

B. Continuing Implementation Of Claims Process

The Receiver has prioritized the process of returning investor funds as soon as possible, and on November 5, 2020, the Court granted the Receiver's motion to approve the framework for a claims process. On November 17, 2020, the Receiver mailed out proof of claim packets to all potentially interested parties he had identified during his investigation. Upon the passage of the Claim Bar Date of **February 15, 2021**, the Receiver will move forward with analyzing all timely submitted claims, submitting his claim determinations for Court approval and subsequently proceeding with a first interim distribution.

C. Liquidation of Assets

The Receiver has completed the terms of his settlement with the Fogarty Family, which resulted in the liquidation of the Interactive Brokers accounts and the transfer of net proceeds to the Receiver's fiduciary accounts. The liquidation of the Receivership Estate's real property assets will remain a primary focus of the Receiver in the near period. With

respect to the Bank Building, the Receiver has entered into an agreement to sell this property for \$2.1 million and filed a motion on January 29, 2021 seeking approval of the sale and related sale procedures (Doc. 174). As for the Villa Gabriella property, the Receiver is in the process of obtaining the final necessary appraisal after which he will proceed with the marketing and sale of that property. The Receiver also intends to explore liquidation options for any remaining Receivership property or assets. The Receiver has also received Court approval for the liquidation and disposal of personal property secured from Kinetic Funds' office in Sarasota, Florida and expects to complete that task during the current reporting period. Any interested parties should visit the Receiver's website at www.kineticreceivership.com for more information.

D. Potential Third-Party Claims

The Receiver is currently analyzing 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.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

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Email: lauren.humphries@bipc.com
Attorneys for Receiver Mark A. Kornfeld

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29th day of January, 2021, 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 Defendant Michael Williams

/s/ Jordan D. Maglich
Attorney

SEC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

EXHIBIT “1”



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 October 1, 2020 to December 31, 2020 and from inception March 6, 2020 to December 31, 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
January 15, 2021

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 10/01/2020 to 12/31/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2020):			\$ 13,297,022.83
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	25,221.80		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,472,685.90		
Line 8	Miscellaneous - Other			
	Total Funds Available (Line 1 - 8):		3,497,907.70	16,794,930.53
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	177,808.10		
Line 10b	Business Asset Expenses	268.62		
Line 10c	Personal Asset Expenses	11,772.48		
Line 10d	Investment Expenses	17,744.86		
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		207,594.06	207,594.06
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)			207,594.06
Line 13	Ending Balance (As of 12/31/2020)			16,587,336.47

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 10/01/2020 to 12/31/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			16,587,336.47
Line 14a	Cash & Cash Equivalents			16,587,336.47
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			16,587,336.47
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 _____			

*Broker accounts U1364167 and U1364170 are not part on the Receivership and not included in above report.
Accounts were closed and transferred out to the investors

Receiver:
By: _____
Title _____
Date _____

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 03/06/20 to 12/31/2020

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	13,652,912.22		
Line 4	Interest/Dividend Income	78,612.71		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,472,685.90		
Line 8	Miscellaneous - Other	223,877.75		
	Total Funds Available (Line 1 - 8):		17,428,088.58	17,428,088.58
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	759,062.65		
Line 10b	Business Asset Expenses	9,365.96		
Line 10c	Personal Asset Expenses	20,601.84		
Line 10d	Investment Expenses	51,721.66		
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		840,752.11	840,752.11
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)			840,752.11
Line 13	Ending Balance (As of 12/31/2020)			16,587,336.47

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 03/06/20 to 12/31/2020

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			16,587,336.47
Line 14a	Cash & Cash Equivalents		*	16,587,336.47
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			16,587,336.47
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 Admistrator 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 _____			

Receiver:
By: _____
Title
Date _____

Misc Items

Sale of Gold Coins 223,877.75

Total \$ 223,877.75

SEC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

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

101 E. Kennedy Blvd., Ste. 3400

Tampa, FL 33602

Telephone: (813) 387-0300

Facsimile: (813) 387-1800

Jordan.maglich@quarles.com

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:

Christine Nestor, Esq.
Stephanie N. Moot, Esq.
John T. Houchin, Esq.
Barbara Viniegra, Esq.
Securities and Exchange Commission
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Miami, FL 33131
nestorc@sec.gov
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Counsel for Plaintiff

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Jon A. Jacobson, Esq.
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224 Datura Street, Suite 812
West Palm Beach, FL 33401
jjacobson@jlpa.com
e-service@jlpa.com

Counsel for Defendant Michael Williams

/s/ Jordan D. Maglich
Attorney

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

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 Shareholder in the law firm of Buchanan Ingersoll & Rooney PC ("Buchanan Ingersoll") 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 & Brady LLP ("Quarles") and Buchanan Ingersoll 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 and Buchanan Ingersoll 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 and Buchanan Ingersoll which are attached to this Application are true and correct copies of the records maintained by Quarles and Buchanan Ingersoll. 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 Buchanan Ingersoll and it is the regular business practice of both Quarles and Buchanan Ingersoll 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 and/or Buchanan Ingersoll 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 15th day of February, 2021.



MARK A. KORNFELD
Receiver

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 1

**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	186.1 ¹	\$54,402.25	\$3,912.98	\$58,315.23	\$445,629.00	\$19,264.26
Receiver and Buchanan Ingersoll & Rooney PC	Attorneys	15.9	\$5,873.25	\$0	\$5,873.25	\$0	\$0
Yip & Associates	Accountants	65.3	\$16,698.50	0	\$16,698.50	\$161,782.00	\$558.80
E-Hounds, Inc.	Information Technology and Forensic Technology	0	\$0	\$2,625.00	\$2,625.00	\$40,490.00	\$5,250.00
IRW Law Offices	Attorneys	14.9	\$3,136.25	\$0	\$3,136.25	\$0	\$0
PDR CPAs + Advisors	Accountants	13.35	\$2,340.00	0	\$2,340.00	\$8,618.75	\$380.25
K. Tek Systems	Website	1	\$150.00		\$150.00	\$3,840.00	
Total		304.5	\$82,600.25	\$6,537.98	\$89,138.23	\$660,359.75	\$25,453.31

¹ In addition to the courtesy discount offered by the Receiver and Quarles & Brady LLP, a portion of the 186.1 total hours billed by the Receiver and Quarles & Brady, LLP has been written off. The Receiver and Quarles & Brady, LLP seek fees for 171.3 hours at their discounted rates.

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 5a

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours Billed	Expenses	Billable Amount
Mark A. Kornfeld	Securities Litigation	Partner	1993	\$ 625.00	\$ 437.50	57.70		\$ 25,243.75
Jordan Maglich	Litigation	Partner	2010	\$ 375.00	\$ 295.00	58.10		\$ 17,139.50
Luke Cass	Litigation	Partner	2004	\$ 545.00	\$ 380.00	2.50		\$ 950.00
Kelli Edson	Litigation	Partner	1999	\$ 515.00	\$ 395.00	0.80		\$ 316.00
Zachary S. Foster	Litigation	Associate	2014	\$ 350.00	\$ 265.00	6.00		\$ 1,590.00
Nicholas A. D'Amico	Litigation	Associate	2018	\$ 300.00	\$ 230.00	0.00		\$ -
Jessica Vander Velde	Litigation	Associate	2017	\$ 300.00	\$ 230.00	4.40		\$ 1,012.00
Rebecca S. Wilt	Litigation	Paralegal		\$ 245.00	\$ 195.00	41.80		\$ 8,151.00
Total Fees								\$ 54,402.25
Plus Expenses							\$3,912.98	
Less: Credit								
Total Expenses								3912.98
Total						171.30		\$ 58,315.23

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 5b

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Expenses	Billable Amount
Mark A. Kornfeld	Litigation	Shareholder	1993	\$ 645.00	\$ 437.50	8.30		\$ 3,631.25
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00	7.60		\$ 2,242.00
Total						15.90	0.00	\$ 5,873.25

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 5c

Name	Title	Year Licensed/ Experience	Hours	Standard Rate	Billing Rate	Total Billed
Marcie D. Bour	Partner	30 years	0.00	\$ 395.00	\$ 340.00	\$ -
Hal Levenberg	Director	10 years	15.60	\$ 395.00	\$ 295.00	\$ 4,602.00
Shawna B. Amarnai	Director	10 years	0.00	\$ 350.00	\$ 295.00	\$ -
Christopher M. Crolley	Manager	12 years	0.00	\$ 300.00	\$ 245.00	\$ -
Nicole Escudero Duenas	Associate	6 years	52.90	\$ 245.00	\$ 245.00	\$ 12,960.50
Less Discount			(3.20)			\$ (864.00)
Plus Expenses						\$ -
Total			65.30			\$ 16,698.50

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 5d

Name	Title	Standard Rate	Reduced Rate	Total Hours	Billable Amount	Expenses	Total Due
Robert Rohr	Senior Analyst	\$195 - \$250	\$195 - \$250	0	\$ -		
Ernesto Rojas	Evidence Technician	\$195	\$195	0	\$ -		
Sean Organ	Evidence Technician	\$225	\$225	0	\$ -		
David A. Bukas	VP of Operations	\$195	\$195	0	\$ -		
Review Platform Hosting						\$ 2,625.00	
Total				0	\$ -	\$ 2,625.00	\$ 2,625.00

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 5e

PDR CPAs

Name	Title	Year Licensed/ Experience	Hours	Standard Rate	Billing Rate	Total Billed
William E. Price	CPA	45+	3	\$ 320.00	\$ 320.00	\$ 960.00
Gail Heinold	Accounting Manager	20+	2.25	\$ 210.00	\$ 155.00	\$ 348.75
Sharon O'Brien	Staff Accountant	10+	0.7	\$ 150.00	\$ 125.00	\$ 87.50
Megan Justice	Staff Accountant	4+	6.75	\$ 150.00	\$ 125.00	\$ 843.75
Tracy Hess	Tax Manager	5+	0.65	\$ 225.00	\$ 155.00	\$ 100.00
Expenses						
			13.35			\$ 2,340.00

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 5f

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Expenses	Billable Amount
Ivonne Rodriguez	Litigation	Attorney	2009	\$ 250.00	\$ 250.00	1.25		\$ 312.50
Zwindi Iglesias	Litigation	Attorney	2011	\$ 225.00	\$ 00-225	13.65		\$ 2,823.75
Total						14.90	0.00	\$ 3,136.25

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
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EXHIBIT 6a



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Attorneys at Law in:
Chicago, Illinois
Indianapolis, Indiana
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 : 6326407

Invoice Date: January 13, 2021

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 December 31,
2020

RE: SEC Enforcement Action
Q&B Matter Number: 172974.00001

Fees:	\$	54,402.25
Disbursements:	\$	3,912.98
Total Amount Due:	\$	<u>58,315.23</u>

INVOICE IS PAYABLE UPON RECEIPT

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

January 13, 2021
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SECF5

Date	Description	Professional	Hours	Task	Amount
10/28/20	Provide additional information and documentation supporting income deduction relating VTrader loss.	Z. Foster	0.50	SECF5	\$132.50
10/28/20	Review and revise Third Interim Report.	Z. Foster	0.60	SECF5	\$159.00

SECF5 FEE SUMMARY:

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Zachary S. Foster	1.10	\$265.00	\$291.50
TOTAL		1.10		\$291.50
SECL1				

Date	Description	Professional	Hours	Task	Amount
10/01/20	Download and review documents produced by Mr. Angelo Diaz.	R. Wilt	0.20	SECL1	\$39.00
10/02/20	Update matrix summarizing status of outstanding subpoenas to non-parties (.2) (NO CHARGE).	R. Wilt	0.20	SECL1	\$0.00
10/05/20	Confer with Receiver regarding accounting malpractice and other pending issues for the remainder of the year.	Z. Foster	1.00	SECL1	\$265.00
10/05/20	Attend meeting with Receiver to discuss, analyze subpoenas, potential clawback actions, depositions, appraisal and sale of Puerto Rico real estate.	L. Cass	1.00	SECL1	\$380.00
10/05/20	Strategize regarding upcoming document review, status of subpoenas, third-party claims and more in preparation for continuing to move receivership matter forward (1.0); update tracking chart and confer regarding trends in same; confer with counsel for Veritas regarding discovery (NO CHARGE).	J. Vander Velde	1.00	SECL1	\$0.00

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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SECL1

Date	Description	Professional	Hours	Task	Amount
10/05/20	Confer with, direct Z. Foster related to potential litigation claims analysis and strategic issues related to same.	K. Edson	0.80	SECL1	\$316.00
10/05/20	Review offers for El Banco Espanol and participate in phone call with Ben Rivera regarding status (.6).	J. Maglich	0.60	SECL1	\$177.00
10/05/20	Emails, confer with J. Maglich regarding: call to, direction of agent/broker regarding negotiations/sale of building, sale of apartment complex (.5).	M. Kornfeld	0.50	SECL1	\$218.75
10/06/20	Per J. Maglich, review payroll records for G. Rosenberger for total income during employment (.2); prepare summary of G. Rosenberger's payroll records (.2); communicate with Mr. Eliseo Acosta regarding status of response to subpoena (.1).	R. Wilt	0.50	SECL1	\$97.50
10/06/20	Confer with counsel for G. Rosenberger regarding interview subject matter.	Z. Foster	0.40	SECL1	\$106.00
10/07/20	Communicate with Mr. Acosta regarding document production.	R. Wilt	0.10	SECL1	\$19.50
10/07/20	Confer regarding strategy for review subpoena document productions for various third parties.	Z. Foster	0.30	SECL1	\$79.50
10/07/20	Confer with attorneys for Locke, Pufahl, and Mendez regarding supplemental document production.	Z. Foster	0.20	SECL1	\$53.00
10/07/20	Strategize regarding reviewing of documents produced pursuant to subpoenas and documents from Puerto Rico computers.	J. Vander Velde	0.40	SECL1	\$92.00
10/07/20	Review and analyze Pufahl document production.	Z. Foster	0.60	SECL1	\$159.00
10/08/20	Emails, confer throughout day with J. Maglich, broker regarding ongoing efforts to sell Old San Juan building (.5).	M. Kornfeld	0.50	SECL1	\$218.75

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

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SECL1

Date	Description	Professional	Hours	Task	Amount
10/09/20	Communicate with Ms. Margarit Gandia at Bandia B. Realty regarding outstanding response to subpoena for records (.3); communicate with Attorney LaPlaca regarding documents produced in San Juan by Ms. Gandia and Mr. Acosta (.1).	R. Wilt	0.40	SECL1	\$78.00
10/09/20	Review and analyze documents produced by Handin in response to Receiver's subpoena.	Z. Foster	0.40	SECL1	\$106.00
10/09/20	Review and analyze documents produced by K. Bradach in response to subpoena request.	Z. Foster	1.00	SECL1	\$265.00
10/09/20	Update status report on outstanding third party subpoenas [NO CHARGE].	R. Wilt	0.20	SECL1	\$0.00
10/09/20	Confer with Ben Rivera and Receiver regarding revised offer and timing of expected additional offer (.4).	J. Maglich	0.40	SECL1	\$118.00
10/12/20	Review and analyze documents related to G. Rosenberger in preparation for interview with same.	Z. Foster	0.80	SECL1	\$212.00
10/12/20	Tend to, discussions with J. Maglich regarding sale of building and negotiations relating to same (.2).	M. Kornfeld	0.20	SECL1	\$87.50
10/13/20	Confer regarding offer to purchase Tetuan Street property and sales terms.	L. Cass	0.20	SECL1	\$76.00
10/13/20	Review new offer on Banco Espanol building and confer with Luke Cass and Receiver regarding same.	J. Maglich	0.30	SECL1	\$88.50
10/13/20	Emails, direct broker, regarding sale of building (.1).	M. Kornfeld	0.10	SECL1	\$43.75
10/14/20	Review documents produced by Mr. Acosta in response to subpoena for records.	R. Wilt	0.30	SECL1	\$58.50
10/14/20	Review correspondence, issues checklist, for draft of purchase and sale agreement, indemnities, hold harmless, escrow, "earnest" money provisions (1.0).	M. Kornfeld	1.00	SECL1	\$437.50

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

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SECL1

Date	Description	Professional	Hours	Task	Amount
10/16/20	Confer regarding analysis of subpoena production review.	Z. Foster	0.20	SECL1	\$53.00
10/16/20	Download and organize documents production receiver from Zephyr Aerospace, LLC. (.5); communicate with Attorney LaPlaca regarding documents produced by Gandia Realty (.3); review correspondence with Mr. Hal Levenberg regarding missing data required to complete analysis of potential claims against receivership estate assets (.2); communicate with Mr. Levenberg regarding missing evidence supporting deposits by investors (.3).	R. Wilt	1.30	SECL1	\$253.50
10/16/20	Review correspondence from Ben Rivera and confer with Receiver regarding \$2.1 million offer (.4).	J. Maglich	0.40	SECL1	\$118.00
10/19/20	Emails, confer with broker, J. Maglich regarding sale of building, purchase agreement, multiple offers, next steps (.5).	M. Kornfeld	0.50	SECL1	\$218.75
10/20/20	Confer with appraisers for Villa Gabriela property regarding required legal property description and I. Rodriguez-Wiewall regarding closing procedures.	L. Cass	0.50	SECL1	\$190.00
10/20/20	Revise and finalize motion to liquidate personal property, review inventory list, and confer with SEC and Mr. Williams' counsel regarding same (.6); Revise and finalize motion to retain Puerto Rico real estate counsel and confer with Receiver and L. Cass regarding same (.5); Telephone call and correspondence with Ben Rivera regarding status of offers, review \$2.1 mm offer and offer letter, and confer with Receiver regarding same (.8); Confer with L. Cass regarding status of appraisals for Villa Gabriella and review purchase agreement for legal description (.2).	J. Maglich	2.10	SECL1	\$619.50
10/20/20	Emails, calls, with brokers, counsel, regarding multiple offers, process for sale of the San Juan bank building (1.0).	M. Kornfeld	1.00	SECL1	\$437.50

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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SECL1

Date	Description	Professional	Hours	Task	Amount
10/21/20	Revise and finalize motion to liquidate personal property and prepare for filing (.4).	J. Maglich	0.40	SECL1	\$118.00
10/22/20	Revise and finalize motion to retain IRW law offices and proposed order and prepare for filing (.6).	J. Maglich	0.60	SECL1	\$177.00
10/23/20	Draft correspondence to Ben Rivera and IRQ Law Office regarding status of bank building (.2).	J. Maglich	0.20	SECL1	\$59.00
10/23/20	Calls, emails throughout day regarding issues relating to sake of the building, purchase and sale agreement, statutory and other public win notices, indemnities (.5).	M. Kornfeld	0.50	SECL1	\$218.75
10/27/20	Confer with appraisers for Villa Gabriela property. Confer with I. Rodriguez-Wiewall regarding purchase contract.	L. Cass	0.50	SECL1	\$190.00
10/27/20	Confer with Receiver, B. Rivera and IRW Law Office regarding status of motion to retain IRW for Banco Espanol sale and review 28 USC 2001 regarding same (.4).	J. Maglich	0.40	SECL1	\$118.00
10/27/20	Emails with L. Cass, J. Maglich, direction regarding appraisers, for apartment complex, statutory requirements, timing, process, independence (.2).	M. Kornfeld	0.20	SECL1	\$87.50
10/28/20	Confer regarding procurement of third appraisal request for Villa Gabriela property.	L. Cass	0.30	SECL1	\$114.00
10/28/20	Revise subpoena directed to BMO Harris (.1); prepare notice of non-party production (.2); communicate with Attorneys Jacobson and Schulz regarding notice (.1); draft correspondence to Ms Justine Wagner at BMO Harris regarding documents missing from previous productions (.3).	R. Wilt	0.70	SECL1	\$136.50
10/28/20	Review, analyze documents received in response to subpoena served on Janine Pinnow.	J. Vander Velde	1.00	SECL1	\$230.00

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Date	Description	Professional	Hours	Task	Amount
10/28/20	Communications throughout day w broker B. Rivera, local counsel, J. Maglich regarding statutory notice, publications, purchase and sale agreement, sale of building (.5).	M. Kornfeld	0.50	SECL1	\$218.75
10/28/20	Confer with Ben Rivera and L. Cass regarding status of bank building sale and inquiry/appraisal of apartments.	J. Maglich	0.20	SECL1	\$59.00
10/29/20	Review, analyze documents produced by Frey Financial (1.0); review, analyze documents produced by E. Ball (1.0).	J. Vander Velde	2.00	SECL1	\$460.00
10/30/20	Review, analyze documents produced by John Symmes.	J. Vander Velde	1.00	SECL1	\$230.00
10/30/20	Review, comments, confer with L. Cass, J. Maglich, regarding apartment complex, appraisal, sale of same, state of financing regarding sale of San Juan building (1.0).	M. Kornfeld	1.00	SECL1	\$437.50
11/03/20	Communicate with Ms. Justine Wagner regarding BMO Harris records.	R. Wilt	0.10	SECL1	\$19.50
11/04/20	Communicate with Ms. Wagner regarding additional documents produced pursuant to prior requests and the status of BMO Harris's response to third party subpoena (.2); review documents provided by Ms. Wagner (.2); communicate with Mr. Hal Levenberg and Ms. Nicole Escudero regarding information provided by BMO Harris (.2).	R. Wilt	0.60	SECL1	\$117.00
11/05/20	Communicate with Ms. Wagner regarding the subpoena for additional records from BMO Harris Bank (.2); communicate with Attorney Dooley regarding Fogarty Family transfer of funds to receivership (.2); communicate with Ms. Ivonne Rodriguez regarding order granting motion authorizing Receiver to employ IRW Law Office (.1).	R. Wilt	0.50	SECL1	\$97.50

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Date	Description	Professional	Hours	Task	Amount
11/05/20	Emails, confer, direct J. Maglich regarding discussions with counsel in Puerto Rico regarding the indemnities and warranties and purchase and sale agreement for sale of Old San Juan building in light of courts order approving retention of outside counsel (.5).	M. Kornfeld	0.50	SECL1	\$218.75
11/06/20	Communicated with Ms. Camie Schneider regarding BMO Harris Bank's response to third party subpoena.	R. Wilt	0.20	SECL1	\$39.00
11/09/20	Call with J. Maglich regarding brokers, appraisers, escrow, purchase agreement, sale of building, marketing of apartment complex (1.0).	M. Kornfeld	1.00	SECL1	\$437.50
11/10/20	Direct, review communications with J. Maglich, interactive brokers, counsel regarding settlement, payment of funds (.5).	M. Kornfeld	0.50	SECL1	\$218.75
11/11/20	Exchange correspondence with Ivonne Rodriguez regarding retention and timeline (.2).	J. Maglich	0.20	SECL1	\$59.00
11/13/20	Telephone call with Ivonne Rodriguez and Receiver regarding status of Banco Espanol sale documents and next steps (.5).	J. Maglich	0.50	SECL1	\$147.50
11/13/20	Calls with J. Maglich, local counsel, Puerto Rico regarding purchase and sale agreement (.5).	M. Kornfeld	0.50	SECL1	\$218.75
11/24/20	Confer with J. Maglich regarding sale of building, revisions to purchase agreement, sale of apartments (1.0); Emails, confer with J. Maglich, analyze work product regarding Silexx, other third-party claims for reimbursement of funds (.5).	M. Kornfeld	1.50	SECL1	\$656.25

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Date	Description	Professional	Hours	Task	Amount
11/24/20	Review and revise draft purchase agreement for 152 Tetuan Street and confer with Receiver and Ivonne Rodriguez regarding same (.8); prepare claims process instructions for website and notice for publication and confer with R. Wilt regarding same (.6); telephone call and correspondence with counsel for Frey regarding Silexx accounts (.5); telephone call with Hal Levenberg regarding Silexx account analysis (.3).	J. Maglich	4.20	SECL1	\$1239.00
12/01/20	Conduct search for current location of Lawson Senior Housing Fund, LLC (.2); draft subpoena to Lawson (.4); communicate with Attorney Zwindi Iglesia regarding employer identification number for Scipio, LLC (.2).	R. Wilt	0.80	SECL1	\$156.00
12/09/20	Communicate with Noelia Marin regarding proof of claim.	R. Wilt	0.10	SECL1	\$19.50

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SECL1 FEE SUMMARY:

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Equity Partner	Kelli A. Edson	0.80	\$395.00	\$316.00
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Zachary S. Foster	4.90	\$265.00	\$1,298.50
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Mid-level Associate	Jessica K. Vander Velde	5.40	\$187.41	\$1,012.00
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Mark A. Kornfeld	10.00	\$437.50	\$4,375.00
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Jordan D. Maglich	10.50	\$295.00	\$3,097.50
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Rebecca S. Wilt	6.20	\$182.42	\$1,131.00
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Luke V. Cass	2.50	\$380.00	\$950.00
TOTAL		40.30		\$12,180.00

SECL3

Date	Description	Professional	Hours	Task	Amount
10/05/20	Communicate with BMO Harris regarding two accounts.	R. Wilt	0.20	SECL3	\$39.00
10/06/20	Per the Receiver, communicate with Mr. Bill Price regarding Receiver Form 5500 report to the Internal Revenue Service.	R. Wilt	0.30	SECL3	\$58.50

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Date	Description	Professional	Hours	Task	Amount
10/07/20	Review changes to BMO Harris account #4255 (.2); communicate with Ms. O'Brien providing updated information for third quarter accounting (.2).	R. Wilt	0.40	SECL3	\$78.00
10/08/20	Communicate with Ms. Joanne at BMO Harris regarding frozen account (.2); review correspondence with Bill Price relating to Internal Revenue Service Form 56 and Form 5500 for each entity (.2).	R. Wilt	0.40	SECL3	\$78.00
10/08/20	Review, tend to tax administration items (.1).	M. Kornfeld	0.10	SECL3	\$43.75
10/09/20	Confer with Bill Price regarding termination of 401k plan (.2).	J. Maglich	0.20	SECL3	\$59.00
11/09/20	Per Receiver, review, analyze bank statements for October, 2020 from ServisFirst, BMO Harris Bank and Interactive Brokers in light of Fogarty settlement.	R. Wilt	0.40	SECL3	\$78.00
11/30/20	Communicate with Ms. Sharon O'Brien regarding October banking records for the receivership entities.	R. Wilt	0.40	SECL3	\$78.00

SECL3 FEE SUMMARY:

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Mark A. Kornfeld	0.10	\$437.50	\$43.75
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Jordan D. Maglich	0.20	\$295.00	\$59.00
TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Rebecca S. Wilt	2.10	\$195.00	\$409.50
TOTAL		2.40		\$512.25

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Date	Description	Professional	Hours	Task	Amount
10/01/20	Emails, review, analyze, comments, direction regarding multiple third-party subpoenas for information, John Symmes, (.2) Emails, confer and review, finalize with J. Maglich regarding the margin payoff settlement. (.9); Emails with J. Maglich, Z. Foster, team regarding claims process, third-party subpoenas and document review and analysis for Holland and Knight, Frye, Pinnow, Quetglas, Calibrated Capital, Silexx, Diaz, Ferrer, Bracach and Zephyr information. (.5); Emails with J. Maglich, direct team regarding motion to retain professionals, accounting claims, sale of old San Juan building, tax and benefits issues, fee application by Mr. Williams, Third Interim Report. (1.0); Review, analyze memorandum from Z. Foster analyzing potential claims against service providers. (.5); Emails with, to J. Maglich, Interactive Brokers regarding transfer of margin and equities. (.1); Emails, review, advise regarding recent document production by Angelo Diaz. (.1).	M. Kornfeld	3.30	SECL4	\$1443.75
10/01/20	Review documents produced by Mr. Frey, sales agents, and Consultiva (2.8).	J. Maglich	2.80	SECL4	\$826.00
10/02/20	Review status of subpoenas of Puerto Rico entities and confer with Ben Rivera regarding status of offers on Banco Espanol building (.4); Confer with counsel for Mr. Frey regarding Silexx funds (.2); Review analysis of commissions and fees paid to third parties (.5).	J. Maglich	1.10	SECL4	\$324.50
10/02/20	Continue drafting third fee application and associated exhibits (1.5) (NO CHARGE); prepare summary of E-Hounds invoices for fee application (.5) (NO CHARGE).	R. Wilt	2.00	SECL4	\$0.00
10/02/20	Emails, confer with J. Maglich, broker, review correspondence regarding ongoing negotiations, strategy, competing offers, counteroffers, contingencies, relating to sale of Old San Juan building. (1.0).	M. Kornfeld	1.00	SECL4	\$437.50

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Date	Description	Professional	Hours	Task	Amount
10/02/20	Emails, review correspondence, reports, with, from J. Maglich, regarding confidentiality, subpoenas and document responses by Zephyr, other third parties, analysis of potential clawbacks relating to, analysis of commissions and fee schedules paid to sales and other originators of investments (2.0.).	M. Kornfeld	2.00	SECL4	\$875.00
10/05/20	Prepare summary of PDR's invoices to be attached to Third Fee Application [NO CHARGE].	R. Wilt	0.20	SECL4	\$0.00
10/05/20	Analyze, direct, advise, call with J. Maglich, team, regarding margin payoff settlement, motion to authorize Receiver to sell tangible goods, to retain professionals to value potential asset, ongoing investigation into Zephyr transfers, document review and analysis required for third party subpoenas, Third Interim Report, analysis of third-party claims against service providers, sales agent, clawback actions, claims analysis timing, bar date, process (2.0).	M. Kornfeld	2.00	SECL4	\$875.00
10/05/20	Review Merrill Lynch and Interactive Brokers' statements and analyze potential sources of current shortfall (1.5); Review and revise Third Fee Application [(2.2) NO CHARGE]; telephone call with Receiver and team regarding current pending motions, subpoenas, and analysis of potential third-party claims (1.0); exchange correspondence from counsel for Gina Rosenberger (.2); review documents produced by third-parties in response to subpoena (.5).	J. Maglich	3.20	SECL4	\$944.00
10/05/20	Participate in Team Conference Call (1.0) (NO CHARGE); prepare summary for file (.5) (NO CHARGE).	R. Wilt	1.50	SECL4	\$0.00
10/06/20	Update Investor Contact List with information provided by Mr. Cale Carter [NO CHARGE].	R. Wilt	0.10	SECL4	\$0.00
10/06/20	Exchange correspondence with counsel for Zephyr regarding status of subpoena and document production (.3).	J. Maglich	0.30	SECL4	\$88.50

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Date	Description	Professional	Hours	Task	Amount
10/06/20	Telephone and email correspondence with counsel for G. Rosenberger regarding status of discussion and confer with Receiver regarding same (.5).	J. Maglich	0.50	SECL4	\$147.50
10/06/20	Emails, confer, direct J. Maglich regarding Mr. Williams reply brief on modification to asset freeze, analyze papers, opposition relating to same (.4); review, analyze case law, documents regarding potential service provider litigation claims (1.0).	M. Kornfeld	1.40	SECL4	\$612.50
10/07/20	Review Mr. Williams' Motion for Leave to Reply (.2); confer with Z. Foster regarding interviews with Kelli Pufahl and Kelly Locke (.2); meet with Z. Foster and J. Vander Velde regarding review of third-party productions (.5); confer with R. Wilt regarding status of production from subpoenaed parties Gandia Realty, Acosta, and Bradach (.2); revise Third Fee Application [(1.0) NO CHARGE].	J. Maglich	1.10	SECL4	\$324.50
10/07/20	Review, confer with J. Maglich, advise regarding Mr. Williams' reply brief on modifying asset freeze (.2); Review, confer with J. Maglich claims determinations files, cash-in/cash-out tracing analyses, outline timeline, reserves, approach conceptually to first distribution once approved (1.8); review, analyze third party investigative subpoenas, documents (.5).	M. Kornfeld	2.50	SECL4	\$1093.75
10/07/20	Analyze Mr. Williams' Motion for Leave to Reply (.1).	R. Wilt	0.10	SECL4	\$19.50
10/08/20	Analyze and update data relating to claimants in preparation for transmitting of proof of claims forms to all possible claimants (.6); review documents produced under subpoena by Kirk Bradach (.5).	R. Wilt	1.10	SECL4	\$214.50
10/08/20	Confer with Bill Price regarding status of tax documents and issues (.2); review Court Order on Mr. Williams' Motion for Leave to File Reply in support of motion to amend asset freeze (.1); exchange correspondence with counsel for G. Rosenberger (.2).	J. Maglich	0.50	SECL4	\$147.50

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Date	Description	Professional	Hours	Task	Amount
10/08/20	Emails, advise team regarding document review and analysis, third party document analysis, Calibrate Capital, Silexx, others (.5); Outline items for Third Interim Report for discussion with J. Maglich (.5).	M. Kornfeld	1.00	SECL4	\$437.50
10/09/20	Review communication from Mr. Andre Kuhic and Ms. Eileen Hessel regarding possible investor claim (.2); complete analysis of additional eight data sets submitted through Receivership's website by possible investors (1.2).	R. Wilt	1.40	SECL4	\$273.00
10/09/20	Confer with R. Wilt regarding status of E.A. third-party production (.1).	J. Maglich	0.10	SECL4	\$29.50
10/12/20	Review analyze outstanding issues relating to subpoenas and discovery issues requiring analysis and investigation for possible clawback actions (.7).	M. Kornfeld	0.70	SECL4	\$306.25
10/12/20	Exchange correspondence with counsel for G.R. regarding interview and strategize regarding same (.3); confer with Hal Levenberg regarding investor claims analysis (.2).	J. Maglich	0.50	SECL4	\$147.50
10/13/20	Calls, emails with J. Maglich regarding interim report, outstanding motions (.5); Calls, emails with J. Maglich regarding ongoing review of claims forensic analysis (.5); Review analyze Calibrated Capital documents, tracing for possible clawback actions, discuss with J. Maglich (.9).	M. Kornfeld	1.90	SECL4	\$831.25
10/13/20	Prepare exhibits for professional fees for third fee application (.8); review incoming correspondence from Mr. Laron Cartwright regarding possible claim (.2); communicate with Mr. Price regarding invoice for third quarter accounting (.1) [NO CHARGE].	R. Wilt	1.10	SECL4	\$0.00

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Date	Description	Professional	Hours	Task	Amount
10/14/20	NO CHARGE - Summarize invoices from PDR CPAs for third fee application (.4); prepare related exhibits for third fee application (.2); communicate with Ms. Elizabeth Henderson regarding PDR invoice (.1).	R. Wilt	0.70	SECL4	\$0.00
10/14/20	Review correspondence from Ms. Heidi Witting regarding possible claim against receivership estate.	R. Wilt	0.20	SECL4	\$39.00
10/14/20	Prepare for and attend telephone call with G. Rosenberger and draft memorandum to file regarding same (1.6); [Review professional invoices in preparation for Receiver's Third Fee Application (NO CHARGE) (3.5)].	J. Maglich	1.60	SECL4	\$472.00
10/14/20	Review, analyze, third party clawback analysis, work product, approach, claims, assessment of "risks versus rewards" as to certain third-party claimants, building out size of estate for return to victims (1.5).	M. Kornfeld	1.50	SECL4	\$656.25
10/15/20	Confer with Joe Donovan regarding Zephyr document production (.1); Review Mr. Williams' Reply in Support of Second Motion to Modify Asset Freeze and confer with Receiver regarding same (.5); Review updated investor claims analysis from Hal Levenberg and confer with Hal Levenberg regarding same (.5); [Review and revise Third Fee Application and confer with Receiver regarding same (1.2) (NO CHARGE)]; Begin drafting Third Interim Report and strategize regarding same (.5); Confer with Charles Wachter regarding H&K subpoena response (.2).	J. Maglich	1.80	SECL4	\$531.00
10/15/20	Review, analyze documents from third parties, accounting firms (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
10/16/20	Review correspondence from Ms. Leta Blick regarding possible claim.	R. Wilt	0.20	SECL4	\$39.00

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Date	Description	Professional	Hours	Task	Amount
10/16/20	Revise and draft memo to file regarding interview with Gina Rosenberger (.4); [Revise fee agreement and review professional invoices (3.0) (NO CHARGE)]; Review document review summary analysis from Z. Foster and confer regarding same (.2).	J. Maglich	0.60	SECL4	\$177.00
10/16/20	Review, analyze, direction with, J. Maglich regarding third party subpoenas, information request (.2); Confer with J. Maglich regarding G. Rosenberger interview, Calibrated Capital, expenses, review draft motions (1.0); Review, analyze Zephyr documents, work product (.8).	M. Kornfeld	2.00	SECL4	\$875.00
10/17/20	Revise and edit third fee application and its accompanying exhibits [NO CHARGE].	R. Wilt	0.80	SECL4	\$0.00
10/19/20	Conference call with Mr. Levenberg and Ms. Escudero regarding analysis of banking records and investor contributions.	R. Wilt	0.70	SECL4	\$136.50
10/19/20	[NO CHARGE] Analyze bank account data to be included in third fee application (.6); revise third fee application (.7); revise proposed granting application order (2); analyze prior costs and expenses to receivership (.8); prepare exhibits relating to professionals' fees and other disclosures (.7); finalize Receiver's certification (.2); verify data for exhibit on prior applications and fee awards (.5).	R. Wilt	3.70	SECL4	\$0.00
10/19/20	Confer with J. Maglich regarding strategy, motions to be filed relating to outstanding motions (.5.).	M. Kornfeld	0.50	SECL4	\$218.75
10/19/20	Review documents produced by K.B. and draft correspondence to K.B. regarding interview (1.5); [Revise and finalize Third Interim Fee Application and send draft to Commission (4.0 NO CHARGE)].	J. Maglich	1.50	SECL4	\$442.50
10/20/20	Analyze claims data provided by Ms. Escudero (.3); participate in conference call with Mr. Levenberg, Ms. Escudero regarding missing bank records and forensic analysis of potential claims by investors (.5).	R. Wilt	0.80	SECL4	\$156.00

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Date	Description	Professional	Hours	Task	Amount
10/20/20	Review claims analysis from Yip and participate in telephone conference with Hal Levenberg and Nicole Escudero regarding additional documents needed to finalize analysis (.7); Revise and draft Third Interim Report (1.8).	J. Maglich	2.50	SECL4	\$737.50
10/20/20	Emails, confer, with J. Maglich regarding motions to be filed, discussions with SEC and Mr. Williams regarding same (.2); emails, confer with J. Maglich regarding litigation claims, investigation, and review of analysis of third party documents (.7).	M. Kornfeld	0.90	SECL4	\$393.75
10/21/20	Finalize motion to liquidate personal property (.1); prepare request to Clerk for filing and service of motion to liquidate (.2).	R. Wilt	0.30	SECL4	\$58.50
10/21/20	Calls emails confer throughout day with J. Maglich regarding motions to be filed on liquidation, authority to list, retention of retained professionals, matters that remain sub justice, claims determination communications (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
10/22/20	Finalize motion to employ IRW Law Office (.1); prepare request to Clerk for filing and service of motion (.2).	R. Wilt	0.30	SECL4	\$58.50
10/22/20	Revise Third Interim Report (1.8).	J. Maglich	1.80	SECL4	\$531.00
10/22/20	Review, analyze, revise comments to motion regarding professionals, real estate sale, authorization on selling items (.5).	M. Kornfeld	0.50	SECL4	\$218.75
10/23/20	Review bank and brokerage statements; continue drafting Third Interim Report, and confer with Receiver regarding same (3.8); Prepare for and participate in telephone call with K.B. and begin drafting memo to file regarding same (1.8).	J. Maglich	5.60	SECL4	\$1652.00
10/23/20	Review subpoena compliance follow up updates for document production (.2); Review, analyze, comments to draft Third Interim Report for filing 10/30 (1.0).	M. Kornfeld	1.20	SECL4	\$525.00

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Date	Description	Professional	Hours	Task	Amount
10/26/20	Review, analyze subpoena responses, documents, Calibrated Capital (.5).	M. Kornfeld	0.50	SECL4	\$218.75
10/27/20	Confer with Receiver regarding Third Interim Report draft and revise same (1.8).	J. Maglich	1.80	SECL4	\$531.00
10/27/20	Review, analyze full briefing in Williams' motion to modify freeze order (.2).	M. Kornfeld	0.20	SECL4	\$87.50
10/28/20	Review, comments, revise Third Interim Report (1 hr.); Emails, confer with J. Maglich regarding fee application, outside counsel fees, review same (1.0 NO CHARGE).	M. Kornfeld	1.00	SECL4	\$437.50
10/28/20	Continue drafting Third Interim Report and review status of events during third quarter (1.4); review and finalize subpoena to BMO Harris (.3).	J. Maglich	1.70	SECL4	\$501.50
10/29/20	Review, analyze, revise, supplement draft third interim report.	M. Kornfeld	1.00	SECL4	\$437.50
10/29/20	Continue drafting and finalize Third Interim Report (2.2).	J. Maglich	2.20	SECL4	\$649.00
10/30/20	Review correspondence from Ms. Brielle Keeling regarding claim (.2); revise third interim report (1.1); prepare request for filing and service of third interim report (.2).	R. Wilt	1.50	SECL4	\$292.50
10/30/20	Review, revise, finalize Third Interim Report (1.0) [NO CHARGE]; Review, analyze subpoenas, document production items, communications with team regarding pending motions, investigative document review, potential litigations to be authorized by the court (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
10/30/20	Review and finalize Interim Report and prepare for filing (1.5).	J. Maglich	1.50	SECL4	\$442.50
11/02/20	Analyze, confer with J. Maglich throughout day on discovery, subpoenas, third party analysis, claw backs, outstanding motions, action plan once approved as to transfers, notices, sale of assets (2.0).	M. Kornfeld	2.00	SECL4	\$875.00

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Date	Description	Professional	Hours	Task	Amount
11/03/20	Per Receiver, review, process correspondence from Ms. Abbigail Weissnat regarding proof of claim against receivership estate.	R. Wilt	0.30	SECL4	\$58.50
11/04/20	Review, analyze outline substantive, strategic, administrative issues regarding claims determinations, sale of building, apartment, settlement process, liquidation of assets, storage items, litigation claims for discussion with J. Maglich, team (2.0).	M. Kornfeld	2.00	SECL4	\$875.00
11/04/20	Confer with Justine Wagner from BMO Harris regarding new subpoena and requested production.	J. Maglich	0.20	SECL4	\$59.00
11/05/20	Review correspondence from Mr. Miunsacund regarding vendor proof of claim against receivership estate (.1); review correspondence from Mr. Jay Donnelly regarding proof of claim against receivership estate (.2); process order granting motion to establish and approve claims form and formal procedures (.2).	R. Wilt	0.50	SECL4	\$97.50
11/05/20	Emails, analyze, confer throughout day with J. Maglich, R. Wilt regarding analysis, agreements, orders from court relating to claims determinations, settlement with Fogarties, retention of professionals, authorization to liquidate small items under \$2k, next steps (2.5); review, analyze settlement requirements and timing for monetary transfers, assets to Servisfirst, fiduciary accounts (.5).	M. Kornfeld	3.00	SECL4	\$1312.50
11/05/20	Review, analyze Court's Orders on IRW law office motion, Fogarty settlement motion, SEC's Request for Entry of Judgment and Claims Motion and confer with Receiver, Fogarty's counsel, Interactive Brokers, and team regarding same (1.5).	J. Maglich	1.50	SECL4	\$442.50
11/06/20	Emails, advise, confer with J. Maglich throughout day regarding court orders, settlement, margin payoff, receipt of proceeds from Fogarties (1.0).	M. Kornfeld	1.00	SECL4	\$437.50

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 Q & B Matter Number: 172974.00001

January 13, 2021
 Invoice Number: 6326407
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SECL4

Date	Description	Professional	Hours	Task	Amount
11/09/20	Review correspondence from Mr. Dave Junia regarding potential receivership claim (.1); review judgment as to Kinetic Investment Group, LLC and Relief Defendants (.2); revise fee application (No Charge: .2); review correspondence from Ms. Maia Senger regarding claim (.1).	R. Wilt	0.40	SECL4	\$78.00
11/09/20	Review, call with J. Maglich regarding court orders regarding claims, import of same, claims procedure, notice, publication, letter to possible claimants and stakeholders, next steps (1.0); confer with J. Maglich regarding timing, distributions, reserves, strategy, claims analyses against Williams, relatives, others (1.0);.	M. Kornfeld	2.00	SECL4	\$875.00
11/09/20	Revise Third Fee Application (NO CHARGE) (1.4); Confer with Receiver regarding Court's Order on claims process, proceeding with implementation of claims process and transmittal of proof of claim forms, and administration of same (1.7); Review and revise letter to potential claimants regarding claims process (.7); Confer with Bill Price regarding tax issues and claims process (.2); Draft correspondence to Carlos Provencio regarding procedure to finalize Fogarty settlement (.1); Confer with Luke Cass regarding status of appraisals for Villa Gabriella (.2); Confer with Ivonne Rodriguez regarding timeline for Banco Espanol sale (.2).	J. Maglich	3.10	SECL4	\$914.50
11/10/20	Call with J. Maglich regarding claims determinations, litigation, notice, publication, sale of apartment, sale of building, appraisals, escrow, documents (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
11/11/20	Revise Third Fee application (.2); revise exhibits to fee application (.3); revise proposed order granting motion (.1) [NO CHARGE].	R. Wilt	0.60	SECL4	\$0.00
11/11/20	Per Receiver, update, analyze, revise investor/claimant matrix in connection with distribution of claims packages.	R. Wilt	1.20	SECL4	\$234.00

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

January 13, 2021
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SECL4

Date	Description	Professional	Hours	Task	Amount
11/11/20	Calls, emails, review, revise claims determinations processes letter to all investors (1.0); review, revise correspondence relating to Fogarties settlement, administration of same (.5); review, analyze third-party subpoenas, analyses for claims determinations notices (.5); review, analyze forensic analysis relating to investors (.5).	M. Kornfeld	2.50	SECL4	\$1093.75
11/11/20	Continue revising and finalizing Third Interim Fee Application (1.0) (NO CHARGE); continue revising initial letter to potential claimants regarding claims process (.8); review Interactive Brokers account status and statements and exchange correspondence with Fogarty's counsel regarding recent statements (.4); telephone call with Carols Provencio regarding Court's Order approving Fogarty Settlement and process to accomplish transfers (.4); exchange correspondence with Hal Levenberg regarding claims process (.2).	J. Maglich	1.80	SECL4	\$531.00
11/12/20	Analyze revised invoices from PDR CPAs + Accountants (.2); correspond with Ms. Henderson regarding revised invoices (.2); revise summary of PDR's quarterly billing (.2); revise related exhibits to fee application (.5); revised proposed order granting fee application (.2); revise fee application (.5) [NO CHARGE].	R. Wilt	1.80	SECL4	\$0.00
11/12/20	Per Receiver, revise letter to potential claimants (.2); review correspondence from Mr. Levenberg regarding former investors (.2); verify data on potential claimants, including over 100 different investors, former employees, contractors, and vendors to be provided and given written notice of claims packages and submission processes (4.6).	R. Wilt	5.00	SECL4	\$975.00

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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SECL4

Date	Description	Professional	Hours	Task	Amount
11/12/20	Continue revising letter to all Claimants; review list of accumulated potential claimants, and confer with Rebecca Wilt regarding same (1.1); review and analyze forensic analysis of investor claim determinations, confer with Receiver, and assemble Exhibit A documents for Kinetic Funds claimants (2.8); continue revising and finalizing Third Fee Application and confer with PDR, SEC and Mr. Williams' counsel regarding same (.8) (NO CHARGE).	J. Maglich	3.90	SECL4	\$1150.50
11/12/20	Tend to, review Third Interim Fee Application (2.0.) [NO CHARGE]; Review, analyze claims process information from forensics, regarding investors, etc. (1.0); Review, analyze third parties analysis for potential litigation (.5).	M. Kornfeld	1.50	SECL4	\$656.25
11/13/20	Confirm contact information for 37 identified investors (.8); cross reference proof of claims forms (.4); coordinate preparation of enclosures and certified mailing of proof of claim packages to investors and other potential claimants (.8).	R. Wilt	2.00	SECL4	\$390.00
11/13/20	Continue reviewing investor claim analyses and preparing draft Proof of Claim attachments (2.1); confer with R. Wilt and Yip CPA regarding outstanding claim analyses and process for mailing out distribution claims packet (.6).	J. Maglich	2.70	SECL4	\$796.50
11/13/20	Claims administration process, correspondence, confer with J. Maglich regarding forms, communications with investors (1.0).	M. Kornfeld	1.00	SECL4	\$437.50

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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SECL4

Date	Description	Professional	Hours	Task	Amount
11/16/20	Review correspondence from Ms. Rosalyn Orn regarding potential proof of claim to the Receiver (.2); access ServisFirst bank accounts to confirm deposit of settlement proceeds (.1); communicate with Mr. Bill Price regarding claims packages to Internal Revenue Service and Florida Department of Revenue (.1); review updated claims data provided by Ms. Escudero (.2); revise proofs of claim based on updated data for 18 claims (.9); confirm data for remaining 19 identified investors (1.1); prepare letters to 4 additional potential claims (.4); conduct final review of 109 letters to identified investors and other potential claimants (1.7).	R. Wilt	4.70	SECL4	\$916.50
11/16/20	Revise fee application to represent lack of opposition by plaintiff and defendant (.4); prepare request to Clerk for filing and service of fee application and accompanying exhibits (.5) [NO CHARGE].	R. Wilt	0.90	SECL4	\$0.00
11/16/20	Confer with J. Maglich, review correspondence regarding claims processes (.5).	M. Kornfeld	0.50	SECL4	\$218.75
11/17/20	Revise 113 letters to potential claimants (No Charge: 5.0); communicate with Mr. Price regarding claims package for Internal Revenue Service (.2); prepare 30 proof of claim packages for 30 additional potential claimants (3.4).	R. Wilt	3.60	SECL4	\$702.00
11/18/20	Communicate with Ms. Tia Deckow regarding proof of claim (.1); communicate with Mr. Samuel Stiedman regarding proof of claim (.1); communicate with Ms. Mitunsacund Castello regarding proof of claim (.1); communicate with Ms. Wava Keuschke regarding proof of claim (.1); communicate with Ms. Pamela Fund regarding proof of claim (.1); Review correspondence from IB (.1).	R. Wilt	0.60	SECL4	\$117.00
11/19/20	Communicate with Mr. Thomas Kadotani regarding proof of claim.	R. Wilt	0.10	SECL4	\$19.50

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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SECL4

Date	Description	Professional	Hours	Task	Amount
11/20/20	Communicate with Ms. Nayeli regarding proof of claim (.3); prepare letter to Mr. Todd Merer regarding proof of claim (.2).	R. Wilt	0.50	SECL4	\$97.50
11/20/20	Review document productions and interesting documents, emails With J. Maglich regarding Silexx and Kinetic asset sales (1.5).	M. Kornfeld	1.50	SECL4	\$656.25
11/22/20	Review correspondence from Mr. Aaryn Wooscarl regarding possible claim (.1); prepare response to Mr. Wooscarl including proof of claim form (.1).	R. Wilt	0.20	SECL4	\$39.00
11/23/20	Communicate with Ms. Denise Miles regarding summer address for proof of claim package (.2); prepare package to Ms. Miles' new address (.2); communicate with Ms. Escudero regarding Silexx accounts held at BMO Harris Bank (.5).	R. Wilt	0.90	SECL4	\$175.50
11/23/20	Calls emails with J. Maglich regarding Silexx, third party discovery, litigation claims, strategy, asset sales, claw back actions (1.0).	M. Kornfeld	1.00	SECL4	\$437.50
11/24/20	Communicate with Attorney Dan Newman regarding proof of claim sent to Thomas Frey.	R. Wilt	0.20	SECL4	\$39.00
11/24/20	Emails confer with J. Maglich regarding, review proof of claim (.5).	M. Kornfeld	0.50	SECL4	\$218.75
11/25/20	Review correspondence from Robert Bishop relating to claim against Receivership Estate (.1); review summary of Mr. Bishop's disclosures (.2); assemble documents produced by American Express for additional review (.3).	R. Wilt	0.60	SECL4	\$117.00
11/25/20	Telephone call with James Bishop regarding claim submission and previous employment (1.0); review transfer schedules for Silexx accounts and confer with Hal Levenberg regarding same (.5).	J. Maglich	1.50	SECL4	\$442.50

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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SECL4

Date	Description	Professional	Hours	Task	Amount
11/30/20	Analyze information received on five claims (.5); communicate with Ms. Desmond Smalley at New York Times customer service regarding publication of legal notice pursuant to Court's order (.4); review correspondence from International Brokers regarding liquidation (.2); communicate with Ms. Shay from Sarasota Herald Tribune regarding publication of legal notice (.3); prepare request for publication in local Puerto Rico newspaper (.2).	R. Wilt	1.60	SECL4	\$312.00
12/01/20	Communicate with Mr. Desmond Smalley regarding publication of legal notice in New York Times (.3); communicate with Ms. Shay at the Sarasota Herald Tribune regarding publication of claims notice (.2); research alternate service addresses for six claimants (.8); review communication from Mr. Garrick Martell regarding investor claim (.2); review correspondence from Madalene Armstrong regarding claim (.2); review communication from Mr. Mixlar regarding former employee claim (.2); publication proof for legal notice prepared by Sarasota newspaper (.2); analyze communication from Mr. Tatum Wintheiser regarding claim (.2); communicate with Mr. Phil Handin regarding claim (.2).	R. Wilt	2.50	SECL4	\$487.50
12/02/20	Communicate with Ms. Shay authorizing publication of legal notice in Sarasota newspaper (.2); communicate with Mr. Smalley at New York Times regarding the status of proof for publication of notices in that newspaper (.2).	R. Wilt	0.40	SECL4	\$78.00
12/08/20	Review correspondence from Ms. Joanne Ricca regarding Interactive Brokers accounts (.1); communicate with Mr. Smalley regarding publication of claims notice in the New York Times (.2); finalize receiver's motion for authorization to employ and substitute Buchanan Ingersoll & Rooney (.2); prepare request to Clerk for filing and service of motion to employ Buchanan (.2); communicate with Otis Carter regarding claim (.2); communicate with Phil Handin regarding proof of claim (.2); communicate with Mr. Vlad Lenogov regarding proof of claim (.2).	R. Wilt	1.30	SECL4	\$253.50

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

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SECL4

Date	Description	Professional	Hours	Task	Amount
12/09/20	Prepare letters of authorization for Interactive Broker transfers; communicate with Mr. Smalley regarding quote for publication of Notice (.2).	R. Wilt	0.20	SECL4	\$39.00
12/10/20	Review proof for publication of claims notice in New York Times (.1); communicate with Mr. Smalley regarding publication (.2).	R. Wilt	0.30	SECL4	\$58.50
12/11/20	Communicate with Ms. Sade Beckles regarding proof of claim packet.	R. Wilt	0.20	SECL4	\$39.00

SECL4 FEE SUMMARY:

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Contract Partner	Mark A. Kornfeld	47.60	\$437.50	\$20,825.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Senior Associate	Jordan D. Maglich	47.40	\$295.00	\$13,983.00

TITLE	PROFESSIONAL	HOURS	RATE	AMOUNT
Paralegal	Rebecca S. Wilt	47.30	\$139.76	\$6,610.50
TOTAL		142.30		\$41,418.50

Kinetic - Mark Kornfeld as SEC Federal E
 RE: SEC Enforcement Action
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 Invoice Number: 6326407
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FEE SUMMARY:

PROFESSIONAL	HOURS	HOURLY RATE	AMOUNT
Kelli A. Edson	0.80	\$395.00	\$316.00
Zachary S. Foster	6.00	\$265.00	\$1,590.00
Jessica K. Vander Velde	1.00	\$0.00	\$0.00
Jessica K. Vander Velde	4.40	\$230.00	\$1,012.00
Mark A. Kornfeld	57.70	\$437.50	\$25,243.75
Jordan D. Maglich	58.10	\$295.00	\$17,139.50
Rebecca S. Wilt	13.80	\$0.00	\$0.00
Rebecca S. Wilt	41.80	\$195.00	\$8,151.00
Luke V. Cass	2.50	\$380.00	\$950.00
TOTAL	186.10		\$54,402.25

Total Fees: \$54,402.25

DISBURSEMENTS

10/08/2020	VENDOR: U.S. Legal Support, INVOICE #: 120528260, DATE: 10/7/2020	\$75.00
10/14/2020	VENDOR: Pacer Service Center INVOICE#: 4735820-Q32020-88 DATE: 10/14/2020 3rd Quarter Charges Online Research PACER	\$7.00
10/17/2020	Supplies: Life Storage - Unit 369D	\$226.87
10/19/2020	Supplies: Life Storage - Unit 410D	\$231.82
10/29/2020	Cancellation of: VENDOR: Antonio S Torres, INVOICE #: 917203, DATE: 9/17/2020	\$(350.00)
10/29/2020	Cancellation of: VENDOR: Antonio S Torres, INVOICE #: 917202, DATE: 9/17/2020	\$(400.00)
11/06/2020	VENDOR: Andrews Key VI LLC d/b/a Integra Realty, INVOICE #: 181-2020-0167RET, DATE: 11/4/2020	\$1,800.00
11/24/2020	Supplies: Life Storage - United 410D	\$226.87
11/24/2020	Supplies: Life Storage - Unit 369D	\$226.87
12/03/2020	12/03/20 Tampa Postage Charge - 110 Large Envelope Certified	\$880.00
12/08/2020	UPS delivery to Mark Kornfeld Lakewood Ranch, FL 12/4/2020, Legal Documents, INVOICE #: 0387PRN202	\$28.52
12/11/2020	UPS delivery to Karen Wollitz Dade City, FL 12/4/2020, Legal Documents, INVOICE #: 0387PRD343	\$16.78
12/22/2020	VENDOR: Sarasota Herald-Tribune, INVOICE #: H502015, DATE: 12/2/2020	\$943.25

Total Disbursements: \$3,912.98

Total Fees and Disbursements: \$ 58,315.23



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

Tax ID No. 39-0432630

Invoice Number : 6326407
Invoice Date: January 13, 2021

REMITTANCE

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 December 31,
2020

RE: SEC Enforcement Action
Q&B Matter Number: 172974.00001

Fees:	\$	54,402.25
Disbursements:	\$	3,912.98
Total Amount Due:	\$	<u>58,315.23</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

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 6b

Proforma Number: 3598985
 0103373 MARK KORNFIELD, RECEIVER
 0103373-000001 IN RE: KINETICS

Managing Attorney: M. A. Kornfeld
 Lead Attorney: J. D. Maglich
 Billing Coordinator: Jessica Bonilla

Client/Matter Information

Billing Address: MARK KORNFIELD, RECEIVER
 C/O BUCHANAN INGERSOLL & ROONEY
 SUNTRUST FINANCIAL CENTRE
 401 E. JACKSON STREET, SUITE 240
 ATTN: JORDAN MAGLICH, ESQUIRE
 TAMPA, FL 33602

E-Billing: No
 E-Billing Client ID:
 Electronic Number:

Matter Statistics (as of 12/31/2020)

Fees Billed - Life To Date 0.00
 Costs Billed - Life To Date 0.00
 Fees Write Off/Down - Life To Date 0.00
 AR Write Off - Life To Date: 0.00
 Last Date Billed:

Matter Fee Arrangements

Arrangement: Hourly
 Matter Rate: 11 - SRC Standard (old Market)
 Exception Rate: Yes
 Matter Budget: 0.00
 Billing Frequency:

Matter Balances

BOA: 0.00
 Trust: 0.00
 Unallocated Funds: 0.00

Proforma Totals

	Hours	WIP Fees	Standard Total	Market Total	National Total	Disbursements	Charges
Work Total	17.40	6,315.75	9,535.50	10,489.05	11,442.60	0.00	0.00
Write Up/Down		(442.50)					
Billable (Matter)	17.40	5,873.25				0.00	0.00
Adjustments							
Bill (Matter) Amount	17.40	5,873.25				0.00	0.00

Proforma Number: 3598985
0103373 MARK KORNFELD, RECEIVER
0103373-000001 IN RE: KINETICS

Managing Attorney: M. A. Kornfeld
Lead Attorney: J. D. Maglich
Billing Coordinator: Jessica Bonilla

Billing Instructions**Matter Billing Instructions**

BILLS ARE SUBMITTED 45 DAYS AFTER QUARTER FOR APPROVAL BY THE COURT ORDER PUBLIC INTEREST DISCOUNT ON FEES. I DO NOT KNOW HOW IT WAS CALCULATED. I ENTERED MARK AND JORDAN'S RATE AS A RATE EXCEPTION.

Client Billing Instructions**Partner Billing Instructions**

☐ OK to Bill ☐ Bill Fees Only ☐ Bill Costs Only ☐ Defer ☐ Close Matter

Proforma Number: 3598985
 0103373 MARK KORNFELD, RECEIVER
 0103373-000001 IN RE: KINETICS

Managing Attorney: M. A. Kornfeld
 Lead Attorney: J. D. Maglich
 Billing Coordinator: Jessica Bonilla

Fee Detail

Index	Tkpr	Work Date	Task Code	Activity Code	Bill Hours	Bill Amount	Cumulative	Time Details	Notes
39674765	JDM	12/15/20	B120	A103	0.30	88.50	88.50	Draft Notice of Withdrawal of Motion to Approve Brokerage Obligation Determination and prepare for filing	
39678154	JDM	12/16/20	B120	A103	2.80	826.00	914.50	Review draft purchase agreement and purchaser's comments and changes (.3); Telephone call with Receiver and IRW Law Office regarding status of purchase agreement, procedures under 28 USC 2001, and next steps (1.0); Coordinate with Interactive Brokers and ServisFirst regarding liquidation of accounts and transfer to Servis First (1.5)	
39678155	JDM	12/16/20	B130	A103	1.00	295.00	1,209.50	Draft notice of claim bar date and publication of claim bar date notice (1.0)	
39673871	MAK	12/16/20	B120	A103	1.00	437.50	1,647.00	Calls emails direct and advise outside counsel regarding purchase and sale agreement relating to old San Juan property, process.	
39673872	MAK	12/16/20	B120	A103	0.50	218.75	1,865.75	Emails confer with J Maglich, interactive brokers, Servisfirst regarding payment of margin obligation, transfer of assets to fiduciary account, withdrawal of prior motion as moot.	
39678159	JDM	12/17/20	B120	A103	0.80	236.00	2,101.75	Confer with Receiver, review revised purchase agreement, and confer with IRW Law Office regarding same (.5); Complete Interactive Brokers liquidation (.3)	
39676725	MAK	12/17/20	B120	A103	0.50	218.75	2,320.50	Exchange emails calls with Jordan Maglich regarding purchase and sale agreement, sale of building, margin payoff, fiduciary account.	
39686607	MAK	12/18/20	B120	A105	0.50	218.75	2,539.25	Calls with and exchange emails with J. Maglich regarding sale of Old San Juan Building.	
39697060	JDM	12/21/20	B110	A106	0.50	147.50	2,686.75	Confer with Receiver regarding status of various issues including claims issues, property sale, Silexx accounts, and appraisals.	
39697064	JDM	12/21/20	B110	A107	0.30	88.50	2,775.25	Confer with counsel for Frey regarding Silexx account transfer request.	
39686645	MAK	12/21/20	B120	A106	0.50	218.75	2,994.00	Emails, communicate with J. Maglich, emails with counsel regarding sale agreement.	
39686650	MAK	12/21/20	B110	A106	1.00	437.50	3,431.50	Emails, confer with J. Maglich, emails with counsel regarding claims process, administration, third party litigation, filings document production, third party follow up.	
39697067	JDM	12/22/20	B110	A108	1.50	0.00	3,431.50	Attend to banking transfer issues and coordinate payment of professionals pursuant to Court's Order approving Receiver's Third Fee Application (NO CHARGE)	
39692259	MAK	12/22/20	B210	A104	0.30	131.25	3,562.75	Tend to sale of items in storage, payment of vendors.	

Proforma Number: 3598985
 0103373 MARK KORNFELD, RECEIVER
 0103373-000001 IN RE: KINETICS

Managing Attorney: M. A. Kornfeld
 Lead Attorney: J. D. Maglich
 Billing Coordinator: Jessica Bonilla

Index	Tkpr	Work Date	Task Code	Activity Code	Bill Hours	Bill Amount	Cumulative	Time Details	Notes
39692260	MAK	12/22/20	B120	A104	2.00	875.00	4,437.75	Emails, comments, confer with counsel, broker, J. Maglich throughout the day regarding negotiations, drafts of agreement.	
39692261	MAK	12/22/20	B110	A105	1.00	437.50	4,875.25	Emails confer with J. Maglich regarding strategy, interim report, potential litigations, review, outline, analyze same.	
39692249	MAK	12/23/20	B120	A104	0.50	218.75	5,094.00	Review, analyze old San Juan purchase and sale agreement, finalize and execute same.	
39692250	MAK	12/23/20	B130	A104	0.50	218.75	5,312.75	Review comment on motion regarding publication, bar date, confer with J. Maglich regarding same.	
39700067	JDM	12/28/20	B130	A103	0.80	236.00	5,548.75	Revise and finalize notice of compliance and publication and prepare for filing.	
39700070	JDM	12/28/20	B130	A104	0.50	147.50	5,696.25	Review status of received and returned proof of claim packets .	
39705249	JDM	12/29/20	B120	A108	0.30	88.50	5,784.75	Various correspondence with Interactive Brokers regarding account liquidation and transfer.	
39705253	JDM	12/30/20	B110	A108	0.30	88.50	5,873.25	Call with Stephanie Moot regarding Silexx accounts status.	
TOTAL					17.40	\$5,873.25			

Timekeeper Summary

Number	Name	Title	Bill Hours	Standard Amount	Worked Amount	Bill Amount	Bill Rate	Last WIP Date
10305	Mark Kornfeld	PARTNER	8.30	5,395.00	3,631.25	3,631.25	437.50	12/23/2020
10304	Jordan Maglich	COUNSEL	7.60	4,140.50	2,242.00	2,242.00	295.00	12/30/2020
10304	Jordan Maglich	COUNSEL	1.50	4,140.50	442.50	0.00	0.00	12/30/2020
TOTAL			17.40	9,535.50	6,315.75	5,873.25		

Aged Unbilled Time & Disbursements

		WIP Aging					Total
		0-30	31-60	61-90	91-120	120+	
Billed Hours	72.70	0.00	0.00	0.00	0.00	0.00	72.70
Billed Value	27,607.25	0.00	0.00	0.00	0.00	0.00	27,607.25
Disbursements	8.00	0.00	0.00	0.00	0.00	0.00	8.00

Proforma Number: 3598985
0103373 MARK KORNFELD, RECEIVER
0103373-000001 IN RE: KINETICS

Managing Attorney: M. A. Kornfeld
Lead Attorney: J. D. Maglich
Billing Coordinator: Jessica Bonilla

Accounts Receivable Aging

	0-30	31-60	61-90	91-120	120+	Total
Aged A/R Fees & Disb	0.00	0.00	0.00	0.00	0.00	0.00

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 6c

**INVOICE DETAIL**

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

Invoice Number: 30467
Date: January 12, 2020
Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered October 1, 2020 through December 31, 2020

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
10/01/2020	HAL	Reviewed and updated commission schedules prepared by NED for J. Symmes, E. Rios, E. Acosta, and A. Diaz (1.6); reviewed master bank database for other payments related to commissions paid by the Receivership entities (1.2).	2.8	\$ 295	\$ 826.00	-	\$ -	\$ 826.00
10/01/2020	NED	Prepared schedule of commissions / referrals paid.	1.6	\$ 245	\$ 392.00	-	\$ -	\$ 392.00
10/12/2020	NED	Reviewed claim form (.3); prepared list of potential claimants (1.1).	1.4	\$ 245	\$ 343.00	-	\$ -	\$ 343.00
10/14/2020	HAL	Conference call with J. Maglich re: claims analysis (.7); discussion with NED re: preparation of list of potential claimants (.2 - No Charge).	0.9	\$ 295	\$ 265.50	0.2	\$ (59.00)	\$ 206.50
10/14/2020	NED	Discussion with HAL re: list of potential claimants (.2 - No Charge); continued to prepare list of potential claimants (4.4).	4.6	\$ 245	\$ 1,127.00	0.2	\$ (49.00)	\$ 1,078.00
10/15/2020	HAL	Discussion with NED re: list of potential claimants (.6 - No Charge); conference call with J. Maglich and NED re: same (.5).	1.1	\$ 295	\$ 324.50	0.6	\$ (177.00)	\$ 147.50
10/15/2020	NED	Continued to prepare list of potential claimants (2.2); discussion with HAL re: same (.6 - No Charge); discussion with HAL and J. Maglich (.5).	3.3	\$ 245	\$ 808.50	0.6	\$ (147.00)	\$ 661.50
10/19/2020	HAL	Conference call with R. Wilt and NED re: missing records for claims calculation.	0.7	\$ 295	\$ 206.50	-	\$ -	\$ 206.50
10/19/2020	NED	Conference call with HAL and R. Wilt re: records needed for claims calculations (.7); prepared list of potential claimants, excluding Kinetic Dividends (.8).	1.5	\$ 245	\$ 367.50	-	\$ -	\$ 367.50
10/20/2020	HAL	Conference call with J. Maglich, R. Wilt, and NED re: claims procedure and completion of claims motion forms (.6); researched total value of Kinetic Funds, KF Gold, KFGrowth and KF Inflation for the period December 31, 2017 through December 31, 2019 (1.1).	1.7	\$ 295	\$ 501.50	-	\$ -	\$ 501.50



Invoice Number: 30467
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
10/20/2020	NED	Conference call with J. Maglich, R. Wilt and HAL re: list of potential claimants and documents needed (.6); prepared email communication re: list of bank support needed (.4).	1.0	\$ 245	\$ 245.00	-	\$ -	\$ 245.00
11/09/2020	NED	Reviewed updated production from BMO Harris Bank (.6); performed quality control on master analysis for: KCL Services BMO Harris account x1081 (1.8), Kinetic Funds BMO Harris account x4255 (1.8).	4.2	\$ 245	\$ 1,029.00	-	\$ -	\$ 1,029.00
11/10/2020	NED	Reviewed updated production from BMO Harris Bank and performed quality control on master analysis for KCL Services BMO Harris account x8676.	1.3	\$ 245	\$ 318.50	-	\$ -	\$ 318.50
11/11/2020	NED	Continued to review updated production from BMO Harris Bank and perform quality control on master analysis for KCL Services BMO Harris account x8676.	2.2	\$ 245	\$ 539.00	-	\$ -	\$ 539.00
11/12/2020	NED	Reviewed analyses for investor Wiecek and prepared email response to J. Maglich (.9); continued to review April 2020 production and update/performed quality control on master analysis for KCL Services BMO Harris account x8676 (1.2); performed quality control on Kinetic Management BMO Harris account x6794 (3.8); updated separate analyses for G. Wiecek and M. Wiecek (1.3).	7.2	\$ 245	\$ 1,764.00	-	\$ -	\$ 1,764.00
11/13/2020	NED	Continued to update/separate Wiecek analyses (1.6); reviewed 2013 through 2016 wires and updated / performed quality control on Master bank database (3.7); reviewed investor analyses and updated accordingly (2.8).	8.1	\$ 245	\$ 1,984.50	-	\$ -	\$ 1,984.50
11/15/2020	NED	Continued to prepare investor analyses and updated claims form accordingly.	1.3	\$ 245	\$ 318.50	-	\$ -	\$ 318.50
11/16/2020	HAL	Reviewed and updated claims analysis for G. & M. Wiecek and their retirement accounts (1.6); reviewed and updated claims distribution (1.3).	2.9	\$ 295	\$ 855.50	-	\$ -	\$ 855.50
11/16/2020	NED	Continued to prepare investor analyses and updated claims form accordingly.	6.8	\$ 245	\$ 1,666.00	-	\$ -	\$ 1,666.00
11/18/2020	NED	Prepared list of outstanding BMO Harris bank transaction support.	2.2	\$ 245	\$ 539.00	-	\$ -	\$ 539.00
11/23/2020	NED	Reviewed BMO production for accounts held by Silexx (.4); email communication with J. Maglich (.2).	0.6	\$ 245	\$ 147.00	-	\$ -	\$ 147.00
11/24/2020	HAL	Reviewed and updated schedules of transfers between Silexx and the Receivership Entities prepared by NED (1.1); reviewed schedule of transfers between Silexx and LF42 (.6).	1.7	\$ 295	\$ 501.50	-	\$ -	\$ 501.50



Invoice Number: 30467
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
11/24/2020	NED	Discussion with HAL re: work to be done (.2); performed quality control on transfers made from Receivership entities and LF42 to Silexx and prepared transfer schedules (1.3); prepared summary schedule of Silexx BMO Harris account x4271 activity for the period of Jan 28, 2013 through April 30, 2020 (.6) prepared summary schedules of Silexx BMO Harris account x1601 activity for the period of October 2017 through April 30, 2020 (.2); traced sources of \$200k withdrawn from account March 2020 (1.9).	4.2	\$ 245	\$ 1,029.00	-	\$ -	\$ 1,029.00
11/27/2020	HAL	Reviewed tracing source of funds of \$200,212.63 in Silexx bank accounts on March 6, 2020 as requested by J. Maglich.	1.9	\$ 295	\$ 560.50	-	\$ -	\$ 560.50
11/30/2020	HAL	Discussion with NED re: tracing of funds in Silexx bank accounts on March 6, 2020 (.8 - No Charge); reviewed and updated final schedules re: same (1.1).	1.9	\$ 295	\$ 560.50	0.8	\$ (236.00)	\$ 324.50
11/30/2020	NED	Discussion with HAL re: Silexx analysis (.8 - No Charge); prepared write-up / email communication to Receiver re: same (.6).	1.4	\$ 245	\$ 343.00	0.8	\$ (196.00)	\$ 147.00
Less Adjustment for No Charges						3.2	\$ (864.00)	
Total Fees			68.5		\$ 17,562.50		\$ (864.00)	\$ 16,698.50
Total Amount Due					\$ 16,698.50			

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: **\$16,698.50**

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

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

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
10/01/2020	10/31/2020	85753	\$875.00	in RE: Kinetic	Due on Receipt

Invoice to:

BIPC
in RE: Kinetic
401 E. Jackson St
Suite 2400
Tampa, FL 33602-5236

Case Contact:

Buchanan Ingersoll
Jordan Maglich
813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	10/05/2020		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00
4	10/05/2020		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 **\$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
11/01/2020	11/30/2020	87513	\$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:

Buchanan Ingersoll
 Jordan Maglich
 813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	11/05/2020		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00
4	11/05/2020		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 **\$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
12/01/2020	12/31/2020	87524	\$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:

Buchanan Ingersoll
Jordan Maglich
813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	12/05/2020		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00
4	12/05/2020		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 **\$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:



Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 6e



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

Invoice Date: 11/12/2020
Client Number: 45510.001
Invoice Number: 181984

Mark A. Kornfield, 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 October 2020

Current Invoice Amount	\$ 1,615.00
Prior Balance	<u>5,541.25</u>
Total Amount Due	\$ <u>7,156.25</u>

0 - 30	31- 60	61 - 90	91 - 120	Over 120	Balance
7,156.25	0.00	0.00	0.00	0.00	7,156.25

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**



PDR CPAs + Advisors
Total Hours and Dollars by Timekeeper
October 1, 2020 - October 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	1.75	\$ 560.00
GAH	Gail Heinold	Manager	\$155.00	2.25	\$ 348.75
MLJ	Megan Justice	Staff	\$ 125.00	5.25	\$ 656.25
SAO	Sharon O'Brien	Staff	\$ 125.00	0.40	\$ 50.00
Total Billed for October 2020				9.65	\$ 1,615.00

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

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
10/2/2020	Accounting & Auditing	MLJ	Reconciled BMO, Broker & ServiFirst Accounts and Completed Required Spreadsheet	4.00	\$ 125.00	\$ 500.00
10/7/2020	Accounting & Auditing	SAO	Updated Accounting Records	0.20	\$ 125.00	\$ 25.00
10/8/2020	Accounting & Auditing	SAO	Updated Accounting Records	0.20	\$ 125.00	\$ 25.00
10/8/2020	Accounting & Auditing	MLJ	Categorized 3rd Quarter 2020 General Ledger and Updated Fund Accounting Report	1.25	\$ 125.00	\$ 156.25
	Total Accounting & Auditing			5.65		\$ 706.25
10/7/2020	Consulting	GAH	Reviewed 3rd Quarter 2020 Fund Accounting Reports, Transactions and Reconciliations	1.25	\$ 155.00	\$ 193.75
10/8/2020	Consulting	GAH	Reviewed Updated 3rd Quarter 2020 Fund Accounting Reports	0.50	\$ 155.00	\$ 77.50
10/9/2020	Consulting	WEP	Followed Up and Filed Form 5500; Discussed with Plan Administrator Regarding Termination	1.75	\$ 320.00	\$ 560.00
10/13/2020	Consulting	GAH	Made Changes to 3rd Quarter 2020 Fund Accounting Reports	0.50	\$ 155.00	\$ 77.50
	Total Consulting			4.00		\$ 908.75

Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC

9.65

\$ 1,615.00



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

Invoice Date: 11/30/2020
Client Number: 45510.001
Invoice Number: 182127

Mark A. Kornfield, 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 November 2020

Current Invoice Amount	\$	725.00
Prior Balance		<u>7,156.25</u>
Total Amount Due	\$	<u><u>7,881.25</u></u>

0 - 30	31- 60	61 - 90	91 - 120	Over 120	Balance
7,881.25	0.00	0.00	0.00	0.00	7,881.25

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

OR Pay via Wire Transfer

Type of Account: **Checking**
Financial Institution: **Bank United**
Transit Routing Number / ABA Number (9 digits): **2670-9059-4**
SWIFT Code: **BUFB US 3M**
Financial Institution Account Name: **PDR CPAs + Advisors Inc**
Financial Institution Account Number: **9854850082**
Bank United Address: **14817 Oak Lane, Miami Lakes, FL 33016**
Additional Crediting Instructions: **N/A**

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
 November 1, 2020 - November 30, 2020**

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
11/24/2020	Accounting & Auditing	SAO	Reviewed Bank Statements	0.20	\$ 125.00	\$ 25.00
11/30/2020	Accounting & Auditing	MLJ	Reconciled October Bank Statements	1.50	\$ 125.00	\$ 187.50
11/30/2020	Accounting & Auditing	SAO	Updated Accounting Records	0.10	\$ 125.00	\$ 12.50
	Total Accounting & Auditing			1.80		\$ 225.00
11/12/2020	Consulting	TLH	Claims Notification Research	0.65	\$ 155.00	\$ 100.00
11/13/2020	Consulting	WEP	Reviewed Claims Process Notification to IRS	0.75	\$ 320.00	\$ 240.00
11/17/2020	Consulting	WEP	Assisted with Tax Notices	0.50	\$ 320.00	\$ 160.00
	Total Consulting			1.90		\$ 500.00

Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC

3.70

\$ 725.00



4023 Tampa Road, Suite 2000
Oldsmar, FL 34677
Phone (727) 785-4447 Fax (727) 784-5491
www.pdr-cpa.com

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

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
			NO ACTIVITY DURING DECEMBER 2020			
	Total Accounting & Auditing			0.00		\$ -
	Total Consulting			0.00		\$ -

Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC

0.00

\$ -

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 6f

INVOICE

PMB 721
1353 Ave. Luis Vigoreaux
Guaynabo, 00966

irlawoffice@me.com
O: 7877750624

Number	201904076
Issue Date	1/11/2021
Due Date	1/26/2021
Email	Jordan.Maglich@bipc.com

Bill To:

Buchanan Ingersoll & Rooney PC

O: 813-222-2098

Time Entries

Time Entries		Hours	Sub
2020 Senior Attorney ZI 11/9/2020 Draft of Purchase Agreement - 152 Tetuan St. Old San Juan - Purchase Agreement.	\$225.00	1.50	\$337.50
2020 Lead Attorney 11/13/2020 Conference call with client regarding Purchase Agreement language and requirements under Puerto Rico statutes.	\$250.00	0.50	\$125.00
2020 Senior Attorney ZI 11/13/2020 Conference call regarding Purchase Agreement language and requirements under Puerto Rico statutes.	\$225.00	0.50	\$112.50
2020 Senior Attorney ZI 11/15/2020 Include clauses to Purchase Agreement requested by client as per previous conference call. Send draft to lead attorney for review.	\$225.00	1.50	\$337.50
2020 Lead Attorney 11/16/2020 Review of purchase agreement.	\$250.00	0.75	\$187.50
2020 Senior Attorney ZI 11/17/2020 Send final purchase agreement to client via email.	\$225.00	0.25	\$56.25
2020 Senior Attorney ZI 11/24/2020 Re: Purchase Agreement 152 Tetuan St. Old San Juan. Review e-mail sent by Jordan requesting additional information. Send email to Jordan with response to questions.	\$200.00	0.75	\$150.00
2020 Senior Attorney ZI 11/30/2020 152 Tetuan St. Old San Juan - Review redline Purchase Agreement sent by Jordan including comments, include replies for questions within the document. Send to client by email.	\$200.00	0.75	\$150.00
2020 Senior Attorney ZI 12/1/2020 152 Tetuan St. Old San Juan - Email with client regarding certification of pending taxes for real estate property.	\$200.00	0.15	\$30.00

Time Entries		Hours	Sub
2020 Senior Attorney ZI 12/7/2020 152 Tetuan St. Old San Juan - Receive email sent by Benjamin (Realtor) with questions from Purchaser. Set up a meeting with Purchaser to further discuss the requested changes for the Purchase Agreement.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 12/8/2020 152 Tetuan St. Old San Juan - Meeting with Purchaser to further discuss the Purchase Agreement.	\$200.00	1.00	\$200.00
2020 Senior Attorney ZI 12/10/2020 152 Tetuan St. Old San Juan - request meeting with the CRIM Agency. Meeting set up for Thursday, December 15th.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 12/11/2020 152 Tetuan St. Old San Juan - Receive red line purchase agreement from Purchaser and clean copy via email, with comments. Send client the documents for their review and a couple of questions made by Purchaser.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 12/15/2020 152 Tetuan St. Old San Juan - Request Title Study for the property.	\$200.00	0.75	\$150.00
2020 Senior Attorney ZI 12/16/2020 Call with client to discuss final red line agreement sent by Purchaser.	\$200.00	1.00	\$200.00
2020 Senior Attorney ZI 12/17/2020 152 Tetuan St. Purchase and Sale - Visit to the CRIM agency (Municipal Tax) to verify debts owed for the property. Submit documents to correctly reflect the change in ownership as it was filed in 2018.	\$200.00	1.00	\$200.00
Senior Attorney ZI 12/21/2020 152 Tetuan St. - Varios email communications with Seller and Purchaser regarding status of signed Purchase Agreement.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 12/22/2020 52 Tetuan St. - Varios email communications with Seller and Purchaser regarding changes of Purchase Agreement. Call with Purchaser regarding changes and status, in Purchase Agreement. Draft changes requested by Seller in Purchase Agreement and send for final execution.	\$200.00	2.50	\$500.00
Time Entries Total		14.90	\$3,136.25

Total (USD)	\$3,136.25
Paid	\$0.00
Balance	\$3,136.25

Payments can be made by check or ACH transfer:

BY CHECK: Please make check payable to Ivonne Rodriguez Wiewall and send to: PMB 721, #1353 Ave. Luis Vigoreaux, Guaynabo, PR 00966

Payments made through wire-transfer must include an additional \$15.00, which is the fee charged by the bank.

BY ACH TRANSFER:

Bank Name	Banco Popular de Puerto Rico (BPPR)
Routing number	021502011
Account Name	IRW Law Office
Account Holder's Address	PMB 721, #1353 Luis Vigoreaux Ave. Guaynabo, PR 00966
Account Number	367-111189
Additional information	Please contact Ms. Rosaymar Berrios at 787-775-0624 or 787-590-7070, or by email at rosaymar@irwlaw.com , should you encounter any difficulties.

Thank you!

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

EXHIBIT 6g

INVOICE**k . t e k**

ANNOUNCEMENT - Please note our new mailing address:
2454 N. McMullen Booth Road, Suite 700
Clearwater, FL 33759

Invoice Number:
 232719
 Invoice Date:
 1/1/21

Kinetic Receivership
 C/O Buchanan Ingersoll & Rooney PC
 401 E. Jackson Street, Suite 2400
 Tampa, FL 33602-5236

Customer ID: Kinetic Receivership

Current Invoice Balance	Payment Terms	Due Date
\$ 150.00	PAYMENT DUE OF CURRENT AND PAST DUE INVOICES	1/1/21

Quantity	Description	Unit Price	Amount
1.00	Monthly Service/Work Order**SCO_20-0260_KINETIC - See attached Service Order for complete details. 1 hrs. Completed	150.00	150.00
1.00	PAYMENT DUE UPON RECEIPT - THANK YOU		

Please make checks payable to: KTEK SYSTEMS, LLC

KTEK SYSTEMS, LLC
 2454 N. McMullen Booth Road
 Suite 700
 Clearwater, FL 33759

Phone: 727-726-1700

Fax: 727-726-1744

Subtotal	150.00
Sales Tax	
Total Invoice Amount	150.00
Payment Received	
TOTAL	150.00



Service Order

Date: **January 1, 2021**

Customer PO Number: **SCO_20-0260_KINETIC**



Client: Kinetic Receivership

Buchanan Ingersoll & Rooney PC

Contact: Mark A. Kornfeld
Jordan D. Maglich

Phone: (813) 222-2097

Site: kineticreceivership.com

Phone 2: (813) 222-2098



Contact Email:
mark.kornfeld@bipc.com
jordan.maglich@bipc.com

Address:
401 E. Jackson Street
Suite 2400
Tampa, FL 33602-5236

Site Updates | Support

The following programming updates or support requests sent via email or phone. All of the programming updates and support requests were made from 12/1/2020 to 12/31/2020. Details listed below:

12/7

Web Site Updates/Maintenance

Kinetic Receivership

- Added Claims Process section to the site
- Added 4 PDF Documents
- Updated site menu

1 hr.

Total Time: 1 hr.

Fees and Delivery Timeline

The proposed timeline and fee for the requested work is based upon the information provided. If the scope of the requested work is changed, the timeline and fee are subject to change.

Date of Completion by:	Completed.
Site Updates:	1 Hour(s)
Programming Fee:	\$150.00/Per Hour
	TOTAL: \$150.00

Acceptance Signature

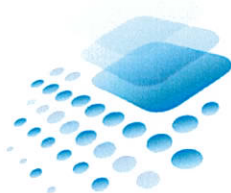
An authorized signature below, by ***KINETIC RECEIVERSHIP - Buchanan Ingersoll & Rooney PC***, indicates your acceptance of this Service Order.

_____ Signature & Date _____

_____ Name

_____ Title

Customer PO Number: **SCO_20-0260_KINETIC**



K.Tek Systems, Inc.
2454 N. McMullen Booth Rd.
Suite 700
Clearwater, FL 33759

727.726.1700
info@ktek.com | sales@ktek.com



This document is the property of and is proprietary to K.Tek Systems, Inc. It is not to be disclosed in whole or in part without the written consent of K.Tek Systems Inc., shall not be duplicated or used in whole or in part, for any purpose other than to evaluate K.Tek Systems, Inc.'s proposal, and shall be returned upon request.

Securities and Exchange Commission vs.
Kinetic Investment Group, LLC, et al
Case No. 8:20-cv-00394

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 FOURTH INTERIM OMNIBUS
APPLICATION FOR ALLOWANCE AND PAYMENT OF
PROFESSIONALS' FEES AND REIMBURSEMENT OF EXPENSES
FOR OCTOBER 1, 2020 – DECEMBER 31, 2020

THIS CAUSE came before the Court on the Receiver's (the "**Receiver**") Fourth Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for October 1, 2020 through December 31, 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, Esq. and Quarles & Brady	\$58,315.23
Mark A. Kornfeld, Esq. and Buchanan Ingersoll	\$5,873.25
Yip & Associates	\$16,698.50
E-Hounds	\$2,625.00
PDR CPAs + Advisors	\$2,340.00
IRW Law Offices	\$3,136.25
K. Tek Systems, Inc.	\$150.00

DONE and ORDERED this ____ day of _____, 2021 in the Middle District of Florida.

**UNITED STATES DISTRICT COURT
JUDGE**