

**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-MSS-SPF**

Defendants, and

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

Relief Defendants.

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**RECEIVER'S FIFTH INTERIM OMNIBUS APPLICATION  
FOR ALLOWANCE AND PAYMENT OF PROFESSIONALS' FEES  
AND REIMBURSEMENT OF EXPENSES FOR  
JANUARY 1, 2021 – MARCH 31, 2021<sup>1</sup>**

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

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<sup>1</sup> 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 January 1, 2021, through March 31, 2021 (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 \$189,073.50 to the professionals engaged by the Receiver for fees incurred and reimbursement of \$3,194.24 in expenses for a total payment of \$192,267.74. This Application includes time billed for the three-month period from January 1, 2021 through March 31, 2021. 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,<sup>2</sup> 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. Administered Court-Approved Claims Process, Reviewed Claims Received Before Claims Bar Date, And Prepared For Seeking Court Approval Of Receiver's Claim Determinations**

- Following the Court's approval of the Receiver's 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"), 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. The Receiver ultimately received 37 proof of claim packets from potential claimants, and he and his professionals intend to seek Court approval of his claim determinations as soon as possible.

**2. Obtained Court Approval of Sale Of El Banco Espanol Building, Published Notice Of Sale And Overbidding Procedures, And Administered Marketing Process**

- The Receiver worked with a broker to list the El Banco Espanol building located in San Juan, Puerto Rico, and ultimately received several offers before entering into an agreement to sell the building for \$2.1 million (exclusive of costs, commissions, and other expenses). The Receiver filed his motion seeking Court approval of the sale on February 1, 2021, and the Court approved that motion on March 24, 2021 (Doc. 206). Pursuant to the Order and the applicable statutory procedures, the Receiver published a Court-

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<sup>2</sup> Neither the Receiver nor his attorneys charged for the time spent preparing this motion.

approved Notice of Sale of the Bank Building in the *Sarasota Herald Tribune* and *El Nuevo Dia* on March 31, 2021 which, among other things, notified interested third parties of the ability to submit a *bona fide* offer pursuant to 28 U.S.C. § 2001. The Receiver ultimately received four *bona fide offers* within the statutory period at a substantial premium over the previous sale price approved by the Court. On May 11, 2021, the Receiver closed the sale of that building which resulted in net proceeds to the Receivership Estate of approximately \$4 million (Doc. 236).

**3. Obtained Court Approval Of Procedure To Pursue Potential Third-Party Claims**

- The Receiver has identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. The Receiver filed his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims on February 10, 2021, and the Court approved the motion on February 25, 2021 (Doc. 181). The Receiver and his professionals are in the process of evaluating those potential claims pursuant to the procedures approved by the Court.

**4. Obtained Court Approval To Retain Professional For Review And Evaluation of ISX Asset**

- The Receiver has obtained possession of what was represented to be the current code of the ISX software that was being developed by Receivership Defendant KIH, Inc. f/k/a Kinetic International, LLC. On March 18, 2021, the Receiver filed his Unopposed Motion for Authorization to Retain Marshall Swatt for Evaluation of ISX Asset, and the Court approved that motion on March 24, 2021 (Doc. 206). Following Mr. Swatt's analysis and evaluation, the Receiver will then consider whether any value may be realized for the software.

**5. Obtained Appraisals And Prepared To Market And List Villa Gabriella Property For Sale**

The Receiver and Defendant Williams previously entered into an agreement regarding the Villa Gabriella property in San Juan, Puerto Rico, following the Receiver's filing of his Motion for Turnover (Doc. 72). The Receiver has obtained the assistance of disinterested real estate professionals to provide professional evaluations of the property's estimated value, and is working with his real estate broker to list the property for sale in the near-future. When the property is listed for sale, the Receiver will also post details to the Receiver's website, [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale). In the event the

Receiver reaches an agreement with a prospective purchaser, he will then seek the Court's approval.

#### **6. The Fourth Interim Report**

- The Receiver prepared and filed his Fourth Interim Report on January 29, 2021 (Doc. 175), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

#### **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.

#### **8. Listed For Sale And Disposed 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 listed the items for sale on his website and on Craigslist, and intends to dispose of all remaining personal property from the Sarasota Office on or before May 31, 2021, which may include donating items to local non-profits or charities.

#### **9. Attended To Litigation Matters**

- The Receiver participated in Defendant Williams' deposition on February 10, 2021, and also responded to discovery requests propounded on him in the underlying litigation. In addition, the Receiver conferred with and ultimately took no position on a motion filed by non-party Silexx seeking the unfreezing of funds frozen in bank accounts at BMO Harris in the name of Silexx.

#### **10. 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](http://www.kineticreceivership.com) for investors and other interested parties.

The above activities are discussed in more detail in the Receiver's Fifth Interim Report which was filed on April 30, 2021 (Doc. 229) (the "Fifth 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), Third Interim Report which was filed on October 30, 2020 (Doc. 150) and Fourth Interim Report which was filed on February 1, 2021 (Doc.175). Each of those documents is also available on the Receiver's website at [www.kineticreceivership.com](http://www.kineticreceivership.com). The Receiver incorporates the Fifth Report into this Application and attaches a true and correct copy of the Fifth 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.<sup>3</sup>

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

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

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 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). Both the Commission and Mr. Williams have filed motions for summary judgment.

### **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:** January 1, 2021 – March 31, 2021.
- (b) **Date of Receiver’s appointment:** March 6, 2020.
- (c) **Date services commenced:** February 14, 2020.<sup>4</sup>
- (d) **Names and rates of all professionals:** See Exs. 5-6.
- (e) **Interim or Final Application:** Interim.
- (f) **Records supporting fee application:** See below.

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

Exhibit 3: Receiver's Certification

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

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

Exhibit 5(a): Buchanan Ingersoll & Rooney PC

Exhibit 5(b): Yip & Associates

Exhibit 5(c): E-Hounds

Exhibit 5(d): PDR CPAs + Advisors

Exhibit 5(e): IRW Law Offices

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<sup>4</sup> As further described in the Receiver’s First Omnibus Fee Application, the Receiver and his professionals began undertaking efforts in the weeks prior to his appointment to prepare for the possibility of the Order Appointing Receiver being entered at or following the hearing on March 6, 2020, but neither the Receiver nor his Professionals sought reimbursement of those fees or expenses.

Exhibit 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): Buchanan Ingersoll & Rooney PC

Exhibit 6(b): Yip & Associates

Exhibit 6(c): E-Hounds

Exhibit 6(d): PDR CPAs + Advisors

Exhibit 6(e): IRW Law Offices

#### IV. **Case Status**

##### **(a) Cash on hand**

As of the date of this Application, the Receivership bank accounts have a cumulative balance of \$20,409,283.83,<sup>5</sup> which includes the net proceeds from the liquidation of Receivership brokerage accounts as well as the recent deposit of approximately \$4 million in net proceeds from the Receiver's sale of the Banco Espanol building in Puerto Rico.<sup>6</sup>

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<sup>5</sup> This balance includes approximately \$325,295.00 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.

<sup>6</sup> Upon his appointment, the Receiver 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

**(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 commencing the Court-approved claims process and reviewing submitted Proof of Claims, seeking and obtaining Court approval of the sale of the El Banco Espanol building in Puerto Rico and carrying out the Court-approved overbid procedure, obtaining appraisals and commencing the marketing process for the Villa Gabriella real estate in Puerto Rico, evaluating and obtaining approval for the Receiver to pursue potential third-party claims, obtaining approval for retention of a professional to review the ISX asset, and

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closing of the KF Brokerage Account (the “Settlement Motion”) (Doc. 141). 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 owners of the Other Accounts to the Receiver pursuant to the Settlement Motion.

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, undertook significant efforts to understand 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.

Following the Court's approval of the Receiver's 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 (Doc. 155), 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). The Receiver ultimately received 37 proof of claim packets and is in the process of reviewing all Proof of Claim Forms

before seeking the Court's approval of his claim determinations. At this stage, the Receiver does not believe that sufficient funds exist to satisfy all anticipated investor claims in full.

**(d) Description of assets**

In additional to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Fifth 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 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 existing billing rate of the Receiver and his professionals.

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 197.5 hours expended on this Receivership. A copy of the statement summarizing the services rendered by the Receiver is attached hereto as **Exhibit 6(a)**. The Receiver

requests the Court award him fees for the professional services rendered from January 1, 2021 through March 31, 2021, in the amount of \$86,406.25.

During the period covered by this Application, Buchanan Ingersoll spent 231.1 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver but only seeks compensation for 210.3 hours expended by legal professionals at Buchanan Ingersoll for professional services in the amount of \$60,947.74. The statement summarizing the services rendered by Buchanan Ingersoll is also encompassed within **Exhibit 6(a)** attached hereto. The work performed by Buchanan Ingersoll has been focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; investigating and pursuing additional assets for the Receivership, and coordinating the framework and procedures for a Court-approved claims process as detailed in the Interim Report. For the period from January 1, 2021, through March 31, 2021, the Receiver requests that the Court award the Receiver and Buchanan Ingersoll for professional services rendered in the amount of \$147,353.99.

The Receiver and his legal professionals with 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 Reports. 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 and the subsequent analysis of the claims submitted by those potential claimants.

During the period covered by this Application, Yip & Associates billed 171.4 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, but only seeks compensation for 161.7 of those hours consisting of fees in the sum of \$38,705.00. A copy of the statement summarizing the services rendered by Yip & Associates is attached hereto as **Exhibit 6(b)**. The Receiver requests that the Court award Yip & Associates fees for professional services rendered January 1, 2021, through March 31, 2021, in the amount of \$38,705.00.

**(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.<sup>7</sup> The Receiver has leveraged E-Hounds' lower rate structure to identify and preserve electronic data obtained from Receivership Entities' computer servers, electronic devices and paper files located at the Sarasota office and utilize the firm's review platform as a central review platform with no additional servicing or storage fees. The Court granted the Receiver's Motion to retain E- Hounds on March 6, 2020 (Doc. 42).

The extent of services provided by E-Hounds to the Receiver during this application period has primarily consisted of updating and providing the document review platform and, where necessary, performing one-off forensic imaging tasks. The Receiver anticipates that this will remain the primary services provided by E-Hounds for the foreseeable future. During the period covered by this Application, E-Hounds 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(c)**. The Receiver requests that the Court award E-Hounds fees for costs incurred from January 1, 2021, through March 31, 2021, 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.

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<sup>7</sup> 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.

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 \$2,996.25 as set forth in the invoices attached as **Exhibit 6(d)**. The Receiver requests that the Court award PDR fees for professional services rendered incurred from January 1, 2021, through March 31, 2021, in the amount of \$2,996.25.

**(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 3.0 hours expended on this matter and billed the Receiver \$587.50 as set forth in the invoices attached as **Exhibit 6(e)**. The Receiver requests that the Court award IRW fees for professional services rendered incurred from January 1, 2021, through March 31, 2021, in the amount of \$587.50.

## 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 Buchanan Ingersoll	\$147,353.99
Yip & Associates	\$38,705.00
E-Hounds	\$2,625.00
PDR CPAs + Advisors	\$2,996.25
IRW Law Offices	\$587.50

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**

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*Attorneys for Receiver Mark A. Kornfeld*

**CERTIFICATE OF SERVICE**

I hereby certify that on May 14, 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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By: /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 January 1, 2021 to March 31, 2021 and from inception March 6, 2020 to March 31, 2021, 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  
April 12, 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 01/01/2021 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2021):			\$ 16,587,336.47
	<b><i>Increases in Fund Balance:</i></b>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	10,023.95		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
	<b>Total Funds Available (Line 1 - 8):</b>		10,023.95	16,597,360.42
	<b><i>Decreases in Fund Balance:</i></b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	95,078.23		
Line 10b	Business Asset Expenses	(626.78)		
Line 10c	Personal Asset Expenses	5,886.54		
Line 10d	Investment Expenses	3,391.70		
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			
	<b>Total Disbursements for Receivership Operations</b>		103,729.69	103,729.69
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
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			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			103,729.69
Line 13	<b>Ending Balance (As of 03/31/2021)</b>			16,493,630.73

**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 01/01/2021 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			16,493,630.73
Line 14a	Cash & Cash Equivalents			16,493,630.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	<b>Total Ending Balance of Fund - Net Assets</b>			<b>16,493,630.73</b>
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
<b>Line 15</b>	<b>Report of Items Not To Be Paid by the Fund</b>			
	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
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			
	<b>Total Plan Development Expenses Not Paid by the Fund</b>		-	
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			
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other Not Paid by the Fund</b>		-	
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			
<b>Line 18</b>	<b>No of Claims</b>			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
<b>Line 19</b>	<b>No of Claimants/Investors:</b>			
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 03/06/2020 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	<b>Increases in Fund Balance:</b>			
Line 2	Business Income			
Line 3	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	88,636.66		
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		
	<b>Total Funds Available (Line 1 - 8):</b>		17,438,112.53	17,438,112.53
	<b>Decreases in Fund Balance:</b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	854,140.88		
Line 10b	Business Asset Expenses	8,739.18		
Line 10c	Personal Asset Expenses	26,488.38		
Line 10d	Investment Expenses	55,113.36		
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			
	<b>Total Disbursements for Receivership Operations</b>		944,481.80	944,481.80
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
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			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			944,481.80
Line 13	<b>Ending Balance (As of 03/31/2021)</b>			16,493,630.73

**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 03/06/2020 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			16,493,630.73
Line 14a	Cash & Cash Equivalents		*	16,493,630.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	<b>Total Ending Balance of Fund - Net Assets</b>			16,493,630.73
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
<b>Report of Items Not To Be Paid by the Fund</b>				
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
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			
	<b>Total Plan Development Expenses Not Paid by the Fund</b>		-	
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			
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other Not Paid by the Fund</b>		-	
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			
<b>Line 18</b>	<b>No of Claims</b>			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
<b>Line 19</b>	<b>No of Claimants/Investors:</b>			
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-MSS-SPF**

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 FIFTH 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 Fifth Interim Report (the “Fifth Report”) covering information and activity occurring from January 1, 2021 to March 31, 2021. 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](http://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 Fifth Report (January 1, 2021 to March 31, 2021), the Receiver and his team of legal, technology, tax, and accounting professionals (collectively, the “Retained Professionals”) have engaged in significant activities including but not limited to:

1. **Administered Court-Approved Claims Process, Reviewed Submitted Claims From Potential Claimants, And Prepared To Seek Court Approval Of Receiver’s Claim Determinations**
  - Following the Court’s approval of the Receiver’s 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”), the Receiver and his Retained 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*. As part of this process, the Receiver and his Retained Professionals performed an extensive analysis of numerous documentation obtained from Kinetic Funds including investment-related documentation, loan and investment statements, documentation obtained from financial institutions, and related correspondence. The Receiver ultimately received 37 proof of claim packets from potential investor and non-investor claimants, and he and his Retained Professionals are in the process of reviewing the submissions and ultimately intend to seek Court approval of his claim determinations on or before **May 31, 2021**.
2. **Obtained Court Approval of Sale Of El Banco Espanol Building, Published Notice Of Sale And Overbidding Procedures, And Received Multiple Overbids**

- The Receiver worked with a broker to list the El Banco Espanol building located in San Juan, Puerto Rico, and marketed the building for a period of time during which he received several offers. The Receiver entered into an agreement to sell the building for \$2.1 million, which was the highest offer and exclusive of costs, commissions, and other expenses. The Receiver filed his motion seeking Court approval of the sale on February 1, 2021, as well as permission for the Receiver to publish the sale and accept qualifying overbidders pursuant to 28 U.S.C. § 2001. After the Court approved that motion on March 24, 2021 (Doc. 206), the Receiver published a Court-approved Notice of Sale of the Bank Building in the *Sarasota Herald Tribune* and *El Nuevo Dia* on March 31, 2021 which, among other things, notified interested third parties of the ability to submit a qualifying *bona fide* offer pursuant to 28 U.S.C. § 2001. The Receiver received four *bona fide* offers within the statutory period, each at a substantial premium over the previous sale price approved by the Court, and ultimately entered into a new purchase agreement with the third-party that submitted the highest *bona fide* offer. The Receiver is working to close that transaction and will update the Court and his website accordingly.

### **3. Obtained Court Approval Of Procedure To Pursue Potential Third-Party Claims**

- The Receiver has identified various potential claims with respect to third-parties that may have current obligations to any Receivership Entity or received improper transfers consisting of investor assets. The Receiver filed his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims on February 10, 2021, and the Court approved the motion on February 25, 2021 (Doc. 181). The Receiver continues to evaluate those potential claims pursuant to the procedures approved by the Court. Following the Court's Order granting the motion, the Receiver has also sent out demand letters to non-investors who received Lendacy loans which were outstanding as of the Receiver's appointment.

### **4. Obtained Court Approval To Retain Professional For Review And Evaluation of ISX Asset**

- The Receiver has obtained possession of what was represented to be the current code of the ISX software that was being developed by Receivership Defendant KIH, Inc. f/k/a Kinetic International, LLC ("Kinetic International"). The software was previously being developed by Kinetic

International and purported to offer a blockchain-based trading exchange. On March 18, 2021, the Receiver filed his Unopposed Motion for Authorization to Retain Marshall Swatt for Evaluation of ISX Asset, and the Court approved that motion on March 24, 2021 (Doc. 206). Following Mr. Swatt's analysis and evaluation, the Receiver will then consider whether any value may be realized for the software or its code.

#### **5. Obtained Appraisals And Prepared To Market And List Villa Gabriella Property For Sale**

The Receiver and Defendant Williams previously entered into an agreement regarding the Villa Gabriella property in San Juan, Puerto Rico, following the Receiver's filing of his Motion for Turnover (Doc. 72). The Receiver enlisted the assistance of disinterested real estate professionals to provide professional evaluations of the property's estimated value, and is working with his real estate broker to list the property for sale in the near future. When the property is listed for sale, the Receiver will also post details to the Receiver's website, [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale). In the event the Receiver reaches an agreement with a prospective purchaser, he will then seek the Court's approval.

#### **6. The Fourth Interim Report**

- The Receiver prepared and filed his Fourth Interim Report on January 29, 2021 (Doc. 175), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

#### **7. Continued Investigation And Review of Relevant Documentation and Information**

- The Receiver and his Retained 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. The Receiver has also continued to investigate the dissipation of investor funds and has obtained documents from third parties as part of these efforts.

## 8. Ongoing Efforts To Sell And Dispose 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). The Receiver intends to sell or otherwise dispose of all remaining personal property from the Sarasota Office on or before May 31, 2021, which may include donating items to local non-profits or charities.

## 9. Attended To Litigation Matters

- The Receiver participated in Defendant Williams' deposition on February 10, 2021, and also responded to discovery requests propounded on him in the underlying litigation. In addition, the Receiver conferred with and ultimately took no position on a motion filed by non-party Silexx seeking the unfreezing of funds frozen in bank accounts at BMO Harris in the name of Silexx.

## 10. 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](http://www.kineticreceivership.com) for investors and other interested parties.

In summary, as of the date of this Report, the Receiver has (i) secured, frozen, marshaled, and liquidated assets for the benefit of victims, with a current balance of **approximately \$16 million** in the Receiver's fiduciary bank accounts; (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) commenced a Court-approved claims process framework through which he intends to return recovered funds to approved claimants.

The Receiver's approximately \$16 million cash on hand is the result of the following actions:

- March 6, 2020: Froze approximately **\$7.6 million** in Receivership bank accounts located at BMO Harris Bank;
- March 20, 2020: Liquidated securities located in Kinetic Funds sub-accounts at Interactive Brokers. After satisfying the account margin obligations, approximately **\$5.5 million** was transferred to the Receiver's bank accounts on January 7, 2021;
- June 25, 2020: Liquidated gold coins held by Kinetic Funds for total proceeds of **\$223,877.75** which were deposited into the Receiver's bank accounts;
- November 10, 2020: Received nearly **\$3.5 million** two Kinetic Funds investors as part of a settlement that ultimately offset roughly \$8 million of the approximately \$12 million in margin obligations in Kinetic Funds' Interactive Brokers' sub-accounts; and
- Through December 31, 2020, the Receiver and his retained legal, accounting, tax, and technology professionals have been paid approximately **\$800,000** for their services.

The Receiver anticipates the additional deposit of several million dollars from his ongoing efforts to liquidate the two Puerto Rico real estate parcels purchased using investor funds. The Receiver expects to update the Court and his website in the coming weeks as to his efforts to close the sale of the El Banco Espanol building.

The Receiver also continues to evaluate the viability and equities of advancing potential claims against third parties 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 Fifth 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). Both the Commission and Williams have filed pending dispositive motions seeking judgment in their favor. Docs. 200-202.

**B. The Receiver’s Role and Responsibilities**

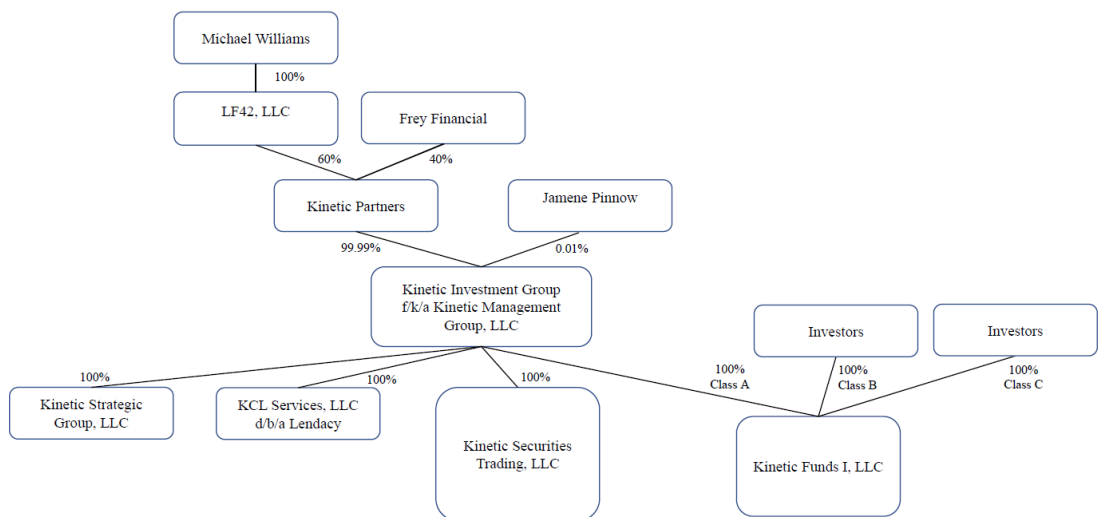
As an independent agent of the Court, the Receiver’s powers and responsibilities are set forth in the Order Appointing Receiver which provides, in relevant part, that the Receiver:

- “[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.*, pp. 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 Retained 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.<sup>1</sup>

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<sup>1</sup> 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%.

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) <sup>2</sup>	2.45%

Beginning in June 2014, Kinetic Funds moved its brokerage accounts for KFYield and other sub-accounts to Interactive Brokers.<sup>3</sup> 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%

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

<sup>3</sup> Prior to June 2014, trading accounts for KFYield and other sub-funds were held at Bank of America/Merrill Lynch by Kinetic Securities Trading (“KST”), a predecessor to Kinetic Funds.

There are significant discrepancies between the figures reported 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:

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	264,376.62	3,067,374.02	-13,927,674.86	-10,860,300.83	-11,124,677.36
Interest Accruals	-4,140.83	0.00	-99,942.86	-99,942.86	-96,802.03
Dividend Accruals	34,887.82	134,620.11	0.00	134,620.11	99,632.29
<b>Total</b>	<b>6,610,940.57</b>	<b>107,869,693.13</b>	<b>-103,126,312.66</b>	<b>4,734,380.68</b>	<b>-1,776,669.99</b>
<b>Time Weighted Rate of Return</b>					<b>-27.62%</b>

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.<sup>4</sup>

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	6,610,940.67
Mark-to-Market	-3,164,606.38
Position Transfers	16,684.00
Dividends	1,923,148.82
Withholding Tax	-2,036.76
Change in Dividend Accruals	99,632.29
Interest	-439,632.20
Change in Interest Accruals	-96,802.03
Other Fees	-263.30
Commissions	-120,842.30
Transaction Fees	-2,953.13
Ending Value	4,734,380.68

As the statement shows, the KFYield account generated nearly \$2 million in dividends during this period (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

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<sup>4</sup> 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.



these holdings were purchased using margin and that the net 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.<sup>5</sup> This theoretically is the amount of funds that were being held and managed on behalf of KFYield investors, and accordingly is

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

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 to satisfy total KFYield investor obligations of approximately \$27 million (which does not include holdings or margin obligations in Kinetic Funds' other sub-accounts at Interactive Brokers<sup>6</sup>). Although the Receiver understands that Kinetic Funds had extended various Lendacy loans to investors and non-investors, the near-entirety of those loans specifically provided that the loans were unsecured and thus were not assets that could be immediately called or otherwise converted to cash to meet investor redemptions. Indeed, in the event that KFYield's 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

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<sup>6</sup> 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.

redemption - let alone maintain continuity of operations. The Receiver continues to investigate the origin, extent, and duration of this shortfall.

### C. Analyzing The Use Of Investor Deposits

From January 15, 2013 to March 4, 2020 (the “Relevant Period”), approximately \$44.1 million was deposited into Kinetic Funds’ BMO Harris bank account with account number ending in x4255 (the “KF Bank Account”). The analysis by the Receiver and his Retained Professionals shows the following flow of funds and transaction activity in the BMO Account holding investor deposits:

- Approximately **\$11 million** was transferred during the Relevant Period from the KF Bank Account to Kinetic Funds’ Interactive Brokers brokerage account in the master account with account number ending in x8796 (the “Brokerage Account”). This included a \$5 million transfer on December 29, 2016 which was used to reduce the then-outstanding -\$12.23 million margin balance to -\$7.24 million as of December 31, 2016, and thus never deposited into the KFYield sub-account. Another \$5 million was transferred to the Brokerage Account on June 29, 2018, of which \$4.995 million was transferred to the KFYield sub-account that same day.
- Nearly **\$13 million** of investor deposits was transferred from the KF Bank Account to Lendacy’s BMO Harris bank accounts ending in x8676 and x1081 (the “Lendacy BMO Accounts”) during the Relevant Period, which was in turn used for various purposes including:
  - Making at least 34 loans totaling **\$6.1 million** to various investors, insiders, and third-parties (excluding Michael Williams);
  - Transferring an additional **\$4.3 million** at the direction, and for the benefit, of Mr. Williams for the purchase of two parcels of real estate in Puerto Rico;
  - Transferring nearly **\$1 million** to Kinetic Investment Group’s BMO Harris bank account;
  - Transferring **\$586,550** to El Morro Financial;
  - Transferring **\$550,000** to LF42; and

- Transferring nearly **\$500,000** for a private investment in an aerospace company in the name of Kinetic International.
- At least **\$6.1 million** of investor deposits was transferred from the KF Bank Account to current and former investors in the form of redemptions and distributions.
- Nearly **\$3.9 million** was transferred from the KF Bank Account to Kinetic Investment Group's BMO Harris bank account during the Relevant Period.<sup>7</sup> Kinetic Investment Group's bank account also received transfers of nearly \$1 million from Lendacy.
- Over **\$4 million** was transferred by the Receivership Entities to various third parties for professional services or payments, including:
  - Over \$1.53 million to ADP, a payroll processing company;
  - Nearly \$1 million to American Express for credit card payments;
  - Nearly \$700,000 for rental payments for the Sarasota KIG office and the Puerto Rico office used by El Morro and other entities;
  - Roughly \$230,000 for health insurance;
  - Approximately \$122,000 to Bloomberg LP; and
  - Nearly \$500,000 to legal and accounting firms.
- Over **\$1 million** was transferred in connection with Receivership Entity KIH, Inc. f/k/a Kinetic International, LLC's efforts to develop a software exchange platform known as ISX, including:
  - The transfer of **\$550,000** from the KF Bank Account to two Puerto Rico bank accounts established for Kinetic International, LLC;
  - The transfer of over **\$500,000** to fund a "launch event" in March 2019 and to pay outside contractors and developers.

On March 5, 2020, one day before the Court's hearing on the Commission's motions seeking an asset freeze and appointment of a receiver, Mr. Williams deposited approximately \$2.9 million with the Receivership Entities which

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<sup>7</sup> Kinetic Investment Group also received nearly \$1 million in transfers from the Lendacy Accounts, which received the near-entirety of their funding from the KF Bank Account (\$12.9 million) and payments from loan recipients (\$2.7 million).

included a \$2.35 million deposit into the KF Bank Account. Prior to that deposit the day before the Court's hearing, the KF Bank Account had a balance of less than \$5.2 million. Following appointment of the Receiver on March 6, 2020, a total of approximately \$7.6 million was frozen in the Receivership Entities' bank accounts at BMO Harris.

**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 \$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.<sup>8</sup> 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, Kinetic Investment Group made nearly \$1 million

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<sup>8</sup> 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.

in transfers to El Morro Financial during the period of March 2017 to December 2019. *See* First Report pp. 47-53.<sup>9</sup> 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 34 loans to various individuals and entities during that time period. These loans often featured significantly below-market rates, were not typically collateralized, and contained little recourse in the event of default. Of those loans, roughly a third were made to insiders and non-KFYield investors that were necessarily funded using investor assets.

For example, a Lendacy loan was made to non-investor M.J. on or about May 4, 2016. It is believed that M.J. is Defendant Williams' niece, and the purpose of the loan appears to have been to fund a summer college program. The loan has been in default since M.J. last made a payment in June 2019. At least four employees also received Lendacy loans for various reasons including a "sales

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<sup>9</sup> 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.

draw” and also to fund employee K.P.’s purchase of Defendant Williams’ car. Each of those loans were in default no later than February 2019. Another Lendacy loan was made to Puerto Rico resident A.C. for what appears to be repairs to a business located in Puerto Rico. None of those Lendacy loan recipients were Kinetic Funds investors, meaning that their “loans” were necessarily funded with investor deposits.

A document located in Kinetic Funds’ files and prepared by the former office administrator shows that a number of the investor loans were also in default as of December 2019 – including some loan recipients that had not made payments in months or even years. For example, Lendacy loans totaling approximately **\$2.5 million** to investors L.W., M.S., and C.G. appear to have been in default **since at least 2015**.

**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.<sup>10</sup> 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 investment in VTrader and convert it to Class A stock. 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.<sup>11</sup> 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

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

<sup>11</sup> 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.



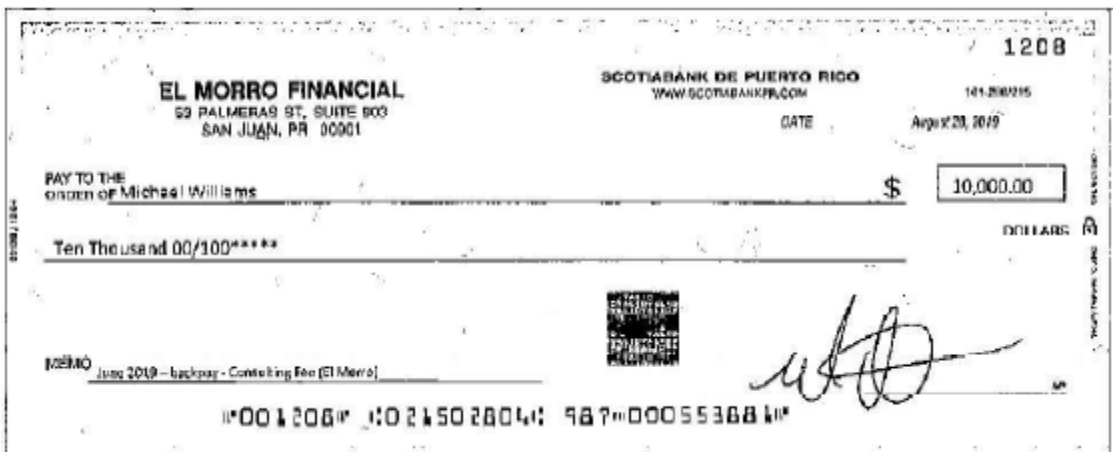
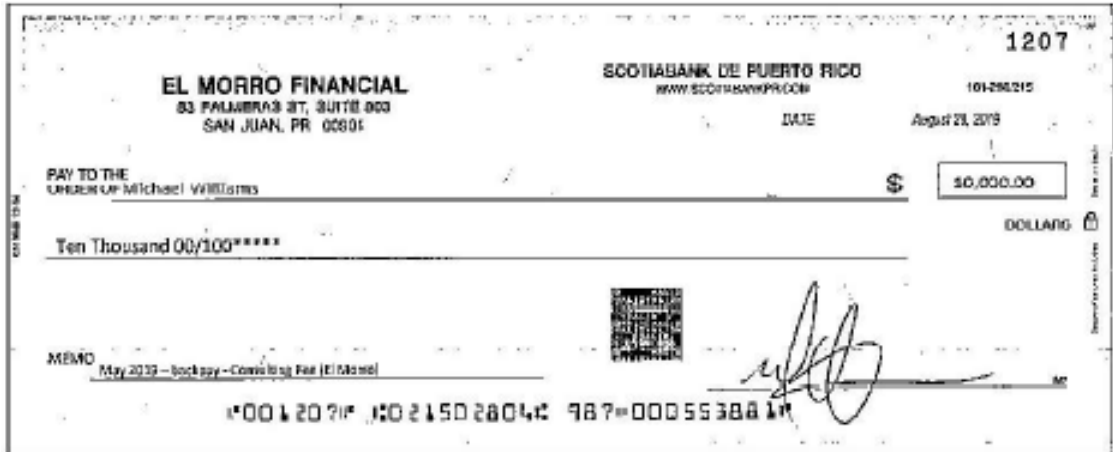
accounts out of VTrader and over to Bank of America/Merrill Lynch. The Receiver's investigation into these events has been hampered by the passage of nearly ten years from these events and the unavailability of sufficient documentation, but it appears that investor funds were adversely affected.

**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 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. Obtained Court Approval of Sale Of El Banco Espanol Building, Published Notice Of Sale And Administered Overbidding Procedures, And Reviewed Timely Received Overbids

In 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. *See* Doc. 60 at pp. 45-46.

After obtaining three appraisals of the Bank Building, 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. Following a

lengthy marketing process<sup>12</sup>, the Receiver entered into a Purchase and Sale Agreement to sell the Bank Building for \$2.1 million contingent on financing. The \$2.1 million offer was the highest offer submitted during the marketing process. The Receiver filed a motion seeking Court approval of the proposed sale as well as authority to publish the terms of the sale and accept qualifying overbids pursuant to 28 U.S.C. § 2001(b) on January 29, 2021 (the “Sale Motion”).<sup>13</sup> The Court approved the Sale Motion on March 24, 2021 (Doc. 206), which in relevant part granted the Receiver’s request to publish the terms of the proposed sale and accept qualifying overbids pursuant to 28 U.S.C. § 2001(b) and also gave the Receiver sole authority and discretion to review any overbid offers and sell the Bank Building.

The Receiver published the Court-approved Notice of Sale (the “Sale Notice”) on his website and in the *Sarasota Herald Tribune* and *El Nuevo Dia* on March 31, 2021.<sup>14</sup> The Sale Notice established an April 10, 2021 deadline for any interested third-party interested to submit a *bona fide* offer pursuant to 28 U.S.C. § 2001(b). The Receiver ultimately received four timely cash *bona fide* offers pursuant to 28 U.S.C. § 2001(b), entered into a purchase and sale agreement with

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<sup>12</sup> See Doc. 175 at pp. 17-19 for further detail.

<sup>13</sup> The Receiver filed the Sale Motion after being informed by the then-buyer that the financial institution providing the financing would need a Court Order approving the sale to proceed any further.

<sup>14</sup> See Doc. 209, Receiver’s Notice of Publication.

the third-party that submitted the highest cash offer, and is working to close the transaction as soon as possible.<sup>15</sup> See Doc. 222. The Receiver will update the Court (and his website) once the sale is completed. Upon the sale, the net proceeds will be deposited into the Receiver’s fiduciary accounts.

**B. Administered Court-Approved Claims Process, Reviewed Submitted Claims, And Prepared To Seek Court Approval Of Receiver’s Claim Determinations**

On August 20, 2020, the Receiver filed his 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 (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 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.

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<sup>15</sup> The Receiver is not disclosing the amount of the highest offer until the transaction is completed; however, the Receiver can disclose that the current sale price is significantly higher than the initial \$2.1 million offer he previously received and accepted.

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, which established a **Claim Bar Date of February 15, 2021**. In addition to publishing notice on his website, 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. 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).

The Receiver ultimately received 33 timely and completed proof of claim packets on or before the Claim Bar Date, including 28 claims from Kinetic Funds investors and principals and 5 claims from non-investor creditors. The Receiver also received 4 investor proof of claim packets that were submitted shortly after the Claims Bar Date. In total, the Receiver received approximately \$35 million in claims submitted by investors and non-investors, which included a claim submitted by Defendant Williams for approximately \$1.4 million.

The Receiver has been working with his legal and forensic Retained Professionals to review each of these claims and, where necessary, engaging in further dialogue with the submitting potential claimant about any identified issues

or discrepancies.<sup>16</sup> The goal of this process is to, where possible, have the potential claimant be in agreement regarding the Receiver's claim determination. At present, the Receiver anticipates filing a motion on or before **May 31, 2021** seeking Court approval regarding: (i) his claim determinations; (ii) priority of claims; (iii) a process for the resolution of objections to claim determinations and priorities 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). This motion will also seek to establish a process and/or timeframe for a proposed plan of distribution to those holding approved claims.

**C. Obtained Court Approval Of Procedure To Pursue Potential Third-Party Claims**

The analysis performed by the Receiver and his Retained Professionals identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. This included, without limitation, non-investors and/or insiders that received Lendacy loans as well as third-parties that received an inequitable transfer and/or benefit traceable to investor funds. The Receiver filed his Unopposed Motion to Approve Procedure

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<sup>16</sup> For example, this has included (i) amending the Net Investment Amount calculated for certain potential claimants to account for accrued interest on the respective investor's Lendacy loan; (ii) communicating with potential claimants about discrepancies identified in their submission or where the submitted Net Investment Amount differed from the Receiver's calculations, and (iii) responding to inquiries to provide the basis for the Receiver's calculations.

to Pursue Potential Third Party Claims on February 10, 2021, and the Court approved the motion on February 25, 2021 (Doc. 181).

On April 16, 2021, the Receiver sent out demand letters to six non-investor recipients of Lendacy loans with current outstanding balances and is engaged in discussions with several of the recipients regarding their repayment of the loans. The Receiver and his Retained Professionals are also reviewing additional potential claims.

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

In addition to the Bank Building, the Commission’s Complaint also 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, including that funds from Kinetic Funds’ bank account were directly traceable to the purchase of Villa Gabriella. *See, e.g.*, First Report pp. 43-44. 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.<sup>17</sup> After the

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<sup>17</sup> 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 temporarily agreed not to seek possession of the Villa



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 that 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 now received all three of these appraisals and is in the process of listing the properties for sale. Any interested parties should check the Receiver's website at [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale) or contact the Receiver's listing agent at [ba-rivera@msn.com](mailto:ba-rivera@msn.com).

**E. Obtained Court Approval To Retain Professional For Review And Evaluation of ISX Asset**

Receivership Defendant KIH, Inc. f/k/a Kinetic International, LLC operated out of the same Puerto Rico office as El Morro, and was purportedly a start-up business working on the development of a blockchain trading platform known as ISX. Following Williams' resignation from Kinetic International in May 2019, the remaining Board of Directors ultimately ceased operations after an independent audit was performed. Following the Receiver's appointment nearly a year later, the Receiver was provided with what was represented to be

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Gabriella property in which Williams (and his girlfriend) were allegedly living.

the current source code of the ISX software. The Receiver sought to identify a professional that could provide an opinion on the status and potential value of the ISX software, and on March 18, 2021, filed his Unopposed Motion for Authorization to Retain Marshall Swatt for Evaluation of ISX Asset. The Court approved that motion on March 24, 2021 (Doc. 206). Following Mr. Swatt's analysis and evaluation, the Receiver will then consider whether any value may be realized for the software.

**F. Continued Monitoring Status Of Zephyr Aerospace Investment**

In or around March 2019, Kinetic International made a speculative investment totaling \$500,000 in an early-stage airline seat startup known as Zephyr Aerospace ("Zephyr") which was memorialized in a simple agreement for future equity ("SAFE") signed by Mr. Williams on behalf of Receivership Entity Kinetic International. This investment was traceable to investor funds. The SAFE provided that Kinetic would be entitled to an issuance of shares or a return of its investment in the event of certain future events. Following the Receiver's appointment and discovery of the Zephyr investment, he has been in contact with Zephyr's principal and has continued to monitor the company's progress.

**G. Tended To Ongoing Litigation Matters**

The Receiver has, as necessary, tended to various pending litigation matters in this case. The Receiver continues to make monthly transfers to Williams to pay

Court-ordered monthly living expenses (Doc. 95). The Receiver participated in Defendant Williams' deposition on February 10, 2021, and also responded to discovery requests propounded on him in the underlying litigation. In addition, the Receiver conferred with and ultimately took no position on a motion filed by non-party Silexx seeking the unfreezing of funds frozen in bank accounts at BMO Harris in the name of Silexx. 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), the Third Report (Doc. 150), and the Fourth Report (Doc. 175). These documents and all other case filings are available on the Receiver's information website established at [www.kineticreceivership.com](http://www.kineticreceivership.com).

**H. 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 Retained Professionals have continued to seek the production of relevant documentation and information from other parties.

**I. Continued Investor Outreach and Administration Of Website**

Throughout the relevant period, the Receiver continued to communicate with investors and other interested parties regarding the status of his efforts and any particular questions or issues brought to the Receiver's attention. The

Receiver also continued to administer his informational website located at [www.kineticreceivership.com](http://www.kineticreceivership.com) which is regularly updated with court filings and reports and also allows interested parties to contact the Receiver.

J. **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 March 31, 2021 as **Exhibit 1**.<sup>18</sup>

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.<sup>19</sup> These investigative efforts remain ongoing through the review of additional documents from (and, where necessary, interviews with) third parties. The Receiver continues to work diligently and efficiently on this task, which includes a substantial amount of documentation and financial records. The Receiver will continue to attempt to locate additional funds

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<sup>18</sup> The report includes the bank account holding funds previously transferred by Williams' former counsel to the Receiver.

<sup>19</sup> A further description of these assets and the Receiver's intended liquidation plan is set forth in the Receiver's Liquidation Plan (Doc. 92) available on the Receiver's website and incorporated herein.

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. Following the Court's approval of the Receiver's motion to approve the framework for a claims process, the Receiver mailed out proof of claim packets to all potentially interested parties he had identified during his investigation. The Receiver ultimately received 37 returned Proof of Claim Forms and remains in ongoing discussions with a number of those potential claimants. The Receiver hopes to file a motion on or before **May 31, 2021** seeking the Court's approval of his claim determinations and distribution procedure.

**C. Liquidation of Assets**

The Receiver continues to prioritize the marketing and sale of the Receivership Estate's real property assets. With respect to the Bank Building, the Court entered an Order granting the Receiver's motion to tentatively sell the

property for \$2.1 million and to carry out the necessary marketing and overbid requirements under 28 U.S.C. § 2002(b). After publication of the Court-approved notice of sale, the Receiver received four statutory overbids of at least 10% higher than the purchase price (i.e., over \$2,310,000) and ultimately selected the highest offer as the winning bid. The Receiver and his Retained Professionals are working diligently to finalize and close that transaction and will notify the Court upon completion of that sale.

As for the Villa Gabriella property, the Receiver has obtained three appraisals as required by 28 U.S.C. 2001 and is in the process of listing the property for sale with the assistance of his real estate broker. Any interested parties should check the Receiver's website at [www.kineticreceivership.com/assets-for-sale](http://www.kineticreceivership.com/assets-for-sale) or contact the Receiver's listing agent at [ba-rivera@msn.com](mailto:ba-rivera@msn.com).

The Receiver is also exploring options to realize value from any remaining Receivership property or assets. The Court previously authorized the Receiver to sell or otherwise dispose of the personal property secured from Kinetic Funds' office in Sarasota, Florida, but there has been very little interest from any buyers for those assets. The Receiver expects to sell or otherwise dispose of all personal property from that office by May 31, 2021. As for the ISX software, the Receiver will review the evaluation prepared by Mr. Swatt and proceed with any viable avenues to realize any value from the sale of that asset. Finally, the Receiver will

continue to engage in discussions with the Zephyr principal regarding the ability to receive any value for that investment. Any interested parties should visit the Receiver's website at [www.kineticreceivership.com](http://www.kineticreceivership.com) for more information.

**D. Potential Third-Party Claims**

The Court granted the Receiver's Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims on February 25, 2021. The Receiver is proceeding with pursuing some of those potential claims and will report back to the Court as necessary. 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, and 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 Court did approve the Receiver's plan to, in some instances, first offer those who are required to return money to the Receivership Estate the opportunity to do so cooperatively and at a slight discount 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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*Attorneys for Receiver Mark A. Kornfeld*

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on this 30<sup>th</sup> day of April, 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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801 Brickell Avenue, Suite 1950  
Miami, FL 33131  
[nestorc@sec.gov](mailto:nestorc@sec.gov)  
[moots@sec.gov](mailto:moots@sec.gov)  
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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”



Oldsmar / Tampa / St. Petersburg

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## ***REPORT OF STANDARDIZED FUND ACCOUNTING REPORT***

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

We have compiled the standardized fund accounting report for the period January 1, 2021 to March 31, 2021 and from inception March 6, 2020 to March 31, 2021, 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  
April 12, 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 01/01/2021 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2021):			\$ 16,587,336.47
	<b><i>Increases in Fund Balance:</i></b>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	10,023.95		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
<b>Total Funds Available (Line 1 - 8):</b>			10,023.95	16,597,360.42
	<b><i>Decreases in Fund Balance:</i></b>			
<b>Line 9</b>	<b>Disbursements to Investors</b>			
<b>Line 10</b>	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	95,078.23		
Line 10b	Business Asset Expenses	(626.78)		
Line 10c	Personal Asset Expenses	5,886.54		
Line 10d	Investment Expenses	3,391.70		
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			
<b>Total Disbursements for Receivership Operations</b>			103,729.69	103,729.69
<b>Line 11</b>	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
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			
<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>				
<b>Line 12</b>	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
<b>Total Disbursements to Court/Other:</b>				
<b>Total Funds Disbursed (Lines 9 - 11)</b>				103,729.69
<b>Line 13</b>	<b>Ending Balance (As of 03/31/2021)</b>			16,493,630.73

**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 01/01/2021 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			16,493,630.73
Line 14a	Cash & Cash Equivalents			16,493,630.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	<b>Total Ending Balance of Fund - Net Assets</b>			<b>16,493,630.73</b>
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
<b>Line 15</b>	<b>Report of Items Not To Be Paid by the Fund</b>			
	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
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:			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			<b>-</b>
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other Not Paid by the Fund</b>		<b>-</b>	
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			
<b>Line 18</b>	<b>No of Claims</b>			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
<b>Line 19</b>	<b>No of Claimants/Investors:</b>			
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 03/06/2020 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	<b>Increases in Fund Balance:</b>			
Line 2	Business Income			
Line 3	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	88,636.66		
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		
	<b>Total Funds Available (Line 1 - 8):</b>		17,438,112.53	17,438,112.53
	<b>Decreases in Fund Balance:</b>			
Line 9	<b>Disbursements to Investors</b>			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	854,140.88		
Line 10b	Business Asset Expenses	8,739.18		
Line 10c	Personal Asset Expenses	26,488.38		
Line 10d	Investment Expenses	55,113.36		
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			
	<b>Total Disbursements for Receivership Operations</b>		944,481.80	944,481.80
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund</b>			
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			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			944,481.80
Line 13	<b>Ending Balance (As of 03/31/2021)</b>			16,493,630.73

**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 03/06/2020 to 03/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			16,493,630.73
Line 14a	Cash & Cash Equivalents		*	16,493,630.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	<b>Total Ending Balance of Fund - Net Assets</b>			16,493,630.73
<b>OTHER SUPPLEMENTAL INFORMATION:</b>		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
<b>Report of Items Not To Be Paid by the Fund</b>				
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
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			
	<b>Total Plan Development Expenses Not Paid by the Fund</b>		-	
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			
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other Not Paid by the Fund</b>		-	
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			
<b>Line 18</b>	<b>No of Claims</b>			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
<b>Line 19</b>	<b>No of Claimants/Investors:</b>			
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 “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 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 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 Buchanan Ingersoll which are attached to this Application are true and correct copies of the records maintained by 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 Buchanan Ingersoll and it is the regular business practice of 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 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 14<sup>th</sup> day of May, 2021.



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**MARK A. KORNFELD**  
Receiver

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

## EXHIBIT “4”

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

<b>Name</b>	<b>Specialty</b>	<b>Hours</b>	<b>Fees</b>	<b>Expenses</b>	<b>Total</b>	<b>Fees Previously Awarded</b>	<b>Expenses Previously Awarded</b>
Receiver and Quarles & Brady LLC	Attorneys		\$0	\$0	\$0	\$503,944.23	\$23,177.24
Receiver and Buchanan Ingersoll & Rooney PC	Attorneys	407.8 <sup>1</sup>	\$146,784.75	569.24	147,353.99	\$5,873.25	\$5,873.25
Yip & Associates	Accountants	161.7	\$38,705.00	0	\$38,705.00	\$178,480.50	\$558.80
E-Hounds, Inc.	Information Technology and Forensic Technology	0	\$0	\$2,625.00	\$2,625.00	\$40,490.00	\$7,875.00
IRW Law Offices	Attorneys	3.0	\$587.50	\$0	\$587.50	\$3,136.25	
PDR CPAs + Advisors	Accountants	14.5	\$2,996.25	0	\$2,996.25	\$10,958.75	\$380.25
K. Tek Systems	Website	0	\$0		\$0	\$3,990.00	
<b>Total</b>		<b>587.0</b>	<b>\$189,073.50</b>	<b>\$3,194.24</b>	<b>\$192,267.74</b>	<b>\$746,872.98</b>	<b>\$37,864.54</b>

<sup>1</sup> The Receiver and his professionals worked 428.60 hours but are only billing for 407.8 hours.

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

## EXHIBIT “5a”

<b>Name</b>	<b>Practice Area</b>	<b>Title</b>	<b>Year Licensed</b>	<b>Standard Rate</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Expenses</b>	<b>Billable Amount</b>
Mark A. Kornfeld	Litigation	Shareholder	1993	\$ 645.00	\$ 437.50	197.50		\$ 86,406.25
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00	176.00		51920.00
Lauren Humphries	Litigation	Associate	2015	\$ 390.00	\$ 270.00	23.60		6372.00
Tabitha Pellegrine	Labor & Employm	Paralegal		\$ 280.00	\$ 195.00	10.70		2086.50
							569.24	569.24
Total						407.80	0.00	\$ 147,353.99

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

## EXHIBIT “5b”

<b>Name</b>	<b>Title</b>	<b>Year Licensed/ Experience</b>	<b>Hours</b>	<b>Standard Rate</b>	<b>Billing Rate</b>	<b>Total Billed</b>
Marcie D. Bour	Partner	30 years		\$ 395.00	\$ 340.00	\$ -
Hal Levenberg	Director	10 years	36.70	\$ 395.00	\$ 295.00	\$ 10,826.50
Shawna B. Amarnai	Director	10 years		\$ 350.00	\$ 295.00	\$ -
Christopher M. Crolley	Manager	12 years		\$ 300.00	\$ 245.00	\$ -
Nicole Escudero Duenas	Associate	6 years	112.40	\$ 245.00	\$ 245.00	\$ 27,538.00
Peter J. Tiano	Associate		3.90	\$195.00	\$ 195.00	\$ 760.50
Santiago I. Carpio	Senior Associate		8.70	\$ 245.00	\$ 245.00	\$ 2,131.50
Less Discount						\$ (2,551.50)
Plus Expenses						\$ -
<b>Total</b>			<b>161.70</b>			<b>\$ 38,705.00</b>



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

## EXHIBIT “5c”

<b>Name</b>	<b>Title</b>	<b>Standard Rate</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Billable Amount</b>	<b>Expenses</b>	<b>Total Due</b>
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

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

## EXHIBIT “5d”

**PDR CPAs**

<b>Name</b>	<b>Title</b>	<b>Year Licensed/ Experience</b>	<b>Hours</b>	<b>Standard Rate</b>	<b>Billing Rate</b>	<b>Total Billed</b>
William E. Price	CPA	45+	5.5	\$ 320.00	\$ 320.00	\$ 1,760.00
Gail Heinold	Accounting Manager	20+	2.75	\$ 210.00	\$ 155.00	\$ 426.25
Sharon O'Brien	Staff Accountant	10+	0.55	\$ 150.00	\$ 125.00	\$ 68.75
Megan Justice	Staff Accountant	4+	4.25	\$ 150.00	\$ 125.00	\$ 531.25
Tracy Hess	Tax Manager	5+	1	\$ 225.00	\$ 210.00	\$ 210.00
Expenses						
			14.05			<b>\$ 2,996.25</b>

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

## EXHIBIT “5e”

<b>Name</b>	<b>Practice Area</b>	<b>Title</b>	<b>Year Licensed</b>	<b>Standard Rate</b>	<b>Reduced Rate</b>	<b>Total Hours</b>	<b>Expenses</b>	<b>Billable Amount</b>
Ivonne Rodriguez	Litigation	Attorney	2009	\$ 250.00	\$ 250.00	0.00		\$ -
Zwindi Iglesias	Litigation	Attorney	2011	\$ 225.00	\$ 200.00	2.75		\$ 550.00
DR		Paralegal		\$ 150.00	\$ 150.00	0.25		\$ 37.50
<b>Total</b>						3.00	0.00	\$ 587.50

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

**EXHIBIT “6a”**



TRUIST Place  
401 E. Jackson Street, Suite 2400  
Tampa, FL 33602-5236

T 813 222 8180  
F 813 222 8189  
www.bipc.com

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

April 14, 2021  
Invoice No. 12080468

### INVOICE SUMMARY

**For Professional Services Rendered:**

RE: IN RE: KINETICS  
Our Reference: 0103373-000001

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Fees:	\$146,784.75
Disbursements:	<u>\$569.24</u>

<b>Total Current Invoice:</b>	<b>\$147,353.99</b>
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TRUIST Place  
401 E. Jackson Street, Suite 2400  
Tampa, FL 33602-5236

T 813 222 8180  
F 813 222 8189  
www.bipc.com

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

April 14, 2021  
Invoice No. 12080468

**For Professional Services Rendered:**

RE: IN RE: KINETICS  
Our Reference: 0103373-000001

Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	01/03/21	B120	A104	Review, analyze order and outline motion for authorization regarding third-party demand letters, litigation if necessary to recover assets, for 1/4 discussion with J. Maglich regarding same.	1.00	437.50
M. A. Kornfeld	01/03/21	B120	A104	Review analyze outline issues for discussion with J. Maglich, counsel regarding sale of San Juan building, apartment, statutory procedures, process.	1.00	437.50
M. A. Kornfeld	01/03/21	B120	A104	Review, analyze correspondence, escrow, relating to purchaser, anticipated post motion activity.	0.70	306.25
M. A. Kornfeld	01/03/21	B110	A104	Emails, review correspondence analysis rating to Silexx, ISX, third-party demands to release or assist with release of proceeds currently frozen.	0.70	306.25
M. A. Kornfeld	01/03/21	B110	A104	Identify issues, review third interim report in advance of preparing fourth interim report update to the Court.	0.50	218.75
M. A. Kornfeld	01/03/21	B110	A104	Review analyze confer with J. Maglich regarding recent SEC discovery requests, information Receiver may wish to seek regarding assets.	0.50	218.75
M. A. Kornfeld	01/03/21	B120	A104	Review analyze emails confer with J. Maglich regarding Interactive Brokers transfers, margin payments.	0.40	175.00
M. A. Kornfeld	01/03/21	B110	A104	Review, analyze notice of publication regarding claims bar date and composite exhibit relating to same.	0.40	175.00

MARK KORNFELD, RECEIVER  
 RE: IN RE: KINETICS  
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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	01/04/21	B120	A104	Review, analyze claims submitted, Court Order, relevance as to work product, Lendacy loans, impact on total amounts available for distribution.	1.00	437.50
M. A. Kornfeld	01/04/21	B120	A104	Emails, calls, analysis with J. Maglich regarding fourth interim report, approach to litigations, claims analysis and determinations.	0.50	218.75
J. D. Maglich	01/04/21	B110	A106	Telephone call with Receiver regarding real estate and claims issues	0.40	118.00
M. A. Kornfeld	01/05/21	B110	A104	Review, analyze subpoena compliance, Frye/Silexx memos, agreements, claims procedures submissions.	2.00	875.00
M. A. Kornfeld	01/05/21	B110	A104	Review, analyze investigative files.	1.00	437.50
M. A. Kornfeld	01/05/21	B120	A107	Emails, discussions regarding potential new offers on Old San Juan building, next steps, with J. Maglich, B. Rivera, IRL.	1.00	437.50
M. A. Kornfeld	01/06/21	B110	A104	Review, analyze claims administration, process, submissions, investors, creditors, letters, files for Bishop, Lang, Padilla, Reynolds, Rosa, Universidad, largest investor, Lendacy borrowers.	2.50	1,093.75
M. A. Kornfeld	01/06/21	B110	A104	Emails, review, analysis, confer with J. Maglich regarding tax filings, fiduciary obligations, approach to subpoena compliance, Silexx, ISX valuation, potential claw back actions.	2.00	875.00
M. A. Kornfeld	01/06/21	B120	A104	Review, analyze offers, emails, with broker, real estate counsel, regarding disclosure, process, offers, publication, timing, closing, court approval.	1.50	656.25
M. A. Kornfeld	01/06/21	B120	A105	Confer with J. Maglich regarding tax filings, apartment appraisals, requests to purchase small items from storage.	0.50	218.75
J. D. Maglich	01/06/21	B110	A105	Meet with L. Humphries regarding current status and next steps with claims process, assets sales, and third-party actions.	0.60	177.00
J. D. Maglich	01/06/21	B110	A105	Communicate with professionals regarding fee application and invoices. (NO CHARGE)	0.60	N/C

MARK KORNFELD, RECEIVER  
 RE: IN RE: KINETICS  
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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	01/06/21	B310	A104	Review newly-received Proofs of Claim, review returned Proof of Claim packets, and meet with Receiver regarding overview of claims objection procedure	0.60	177.00
J. D. Maglich	01/06/21	B120	A106	Exchange email correspondence with Ben Rivera and Receiver regarding Banco Espanol sale status and timeline for bona fide offers	0.30	88.50
J. D. Maglich	01/06/21	B120	A108	Communicate with Interactive Brokers regarding transfer of balance.	0.30	88.50
L. Humphries	01/06/21	B110	A105	Attendance at phone conference with J. Maglich regarding assets in Puerto Rico, upcoming bar deadline, and initial reports on receivership.	0.50	135.00
L. Humphries	01/06/21	B110	A104	Review and analysis of Notice of Appearance for Middle District filing. (NO CHARGE)	0.10	N/C
M. A. Kornfeld	01/07/21	B110	A104	Review, analyze internal witness interviews and forensic analysis relating to transfers, overall Kinetic Funds asset shortfalls.	1.50	656.25
M. A. Kornfeld	01/07/21	B110	A104	Review analyze forms and outline motions for procedures to file authorization for litigation processes.	1.00	437.50
M. A. Kornfeld	01/07/21	B110	A104	Review, analyze and confer with J. Maglich regarding SEC discovery demands.	0.40	175.00
J. D. Maglich	01/07/21	B120	A108	Telephone and email discussions with Interactive Brokers regarding transfer of net proceeds to ServisFirst Bank.	0.40	118.00
M. A. Kornfeld	01/08/21	B120	A104	Tend to tax year-end, asset sales, real estate motion, follow up analysis of overbidding potential offers, diligence on potential Overbidders.	2.00	875.00
M. A. Kornfeld	01/08/21	B110	A104	Review, analyze claims processes and recent submissions.	1.00	437.50
J. D. Maglich	01/08/21	B110	A108	Correspond with professionals regarding submission of invoices for Fourth Fee Application. (NO CHARGE)	0.40	N/C
J. D. Maglich	01/08/21	B120	A104	Review status of Sarasota office items and analyze disposition strategy.	0.40	118.00

MARK KORNFELD, RECEIVER  
 RE: IN RE: KINETICS  
 0103373-000001

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	01/08/21	B110	A104	Review notice of deposition for Mr. Williams and confer with Receiver regarding same.	0.20	59.00
M. A. Kornfeld	01/11/21	B110	A104	Review, analyze communications, documents work product related to Mr. Williams former partner Mr Frye, claims made to Silexx related proceeds, "red flags".	2.00	875.00
M. A. Kornfeld	01/11/21	B110	A104	Review, analyze recent claims submissions.	0.50	218.75
M. A. Kornfeld	01/11/21	B110	A104	Review, diligence buyers for real estate.	0.50	218.75
M. A. Kornfeld	01/11/21	B120	A105	Emails confer with J. Maglich, broker, regarding purchase and sale agreement.	0.40	175.00
J. D. Maglich	01/11/21	B110	A103	Begin drafting Fourth Fee Application and communicate with various professionals. (NO CHARGE)	4.00	N/C
J. D. Maglich	01/11/21	B310	A104	Review outstanding claims matters, received claims, and attempt alternate service of returned proof of claim packets and confer with Receiver regarding same.	1.30	383.50
J. D. Maglich	01/11/21	B120	A108	Correspondence with Z. Iglesias regarding Banco Espanol sale, tax and title documents, and status	0.40	118.00
J. D. Maglich	01/11/21	B110	A104	Review correspondence from Mr. Williams' counsel regarding E-Hounds invoices and submission to Court.	0.30	88.50
J. D. Maglich	01/11/21	B120	A108	Correspondence with Mr. Williams' counsel regarding status of appraisers for Villa Gabriella.	0.20	59.00
L. Humphries	01/11/21	B110	A104	Preparation of further review of Receiver Interim Report.	0.70	189.00
M. A. Kornfeld	01/12/21	B120	A105	Confer with J. Maglich regarding Purchase and Sale Agreement, apartment, appraisers, strategy, motion to court, ongoing negotiations, notice, emails with brokers and counsel regarding same.	2.00	875.00

MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	01/12/21	B110	A104	Review, analyze subpoenas, documents, investigative file, confer with J. Maglich regarding Mr. Williams, discussions with SEC regarding deposition, financial disclosures, third-party litigation.	1.60	700.00
M. A. Kornfeld	01/12/21	B120	A105	Confer, advise J. Maglich regarding inquiries to purchase small assets. (NO CHARGE)	0.20	N/C
J. D. Maglich	01/12/21	B110	A103	Review professional invoices and continue drafting fourth fee application. (NO CHARGE)	2.50	N/C
J. D. Maglich	01/12/21	B110	A104	Review current purchase and sale agreement, correspond with Puerto Rico counsel, and begin drafting motion for approval of sale of Banco Espanol building and overbid procedures.	1.50	442.50
J. D. Maglich	01/12/21	B110	A104	Review, analyze documents produced by Gandia Realty.	1.20	354.00
J. D. Maglich	01/12/21	B110	A104	Review draft Order regarding payment of discovery invoices and exchange correspondence with SEC and Mr. Williams' counsel regarding same.	0.30	88.50
J. D. Maglich	01/12/21	B310	A108	Correspond with, respond to inquires from, investor S.P. regarding claims packet.	0.20	59.00
M. A. Kornfeld	01/13/21	B310	A104	Review, analyze third-party documents relating to possible claw back actions.	2.00	875.00
M. A. Kornfeld	01/13/21	B120	A104	Review, analyze turnover motion, existing tenant, timing, strategy, regarding apartments, sale of same.	1.00	437.50
M. A. Kornfeld	01/13/21	B120	A105	Confer with J. Maglich regarding call with counsel, broker, regarding formal confirmation of application, ongoing purchaser interest, notice, disclosures.	0.50	218.75
M. A. Kornfeld	01/13/21	B310	A104	Review claims submissions, review Order, notice, timing.	0.50	218.75
J. D. Maglich	01/13/21	B110	A103	Continue drafting fee application and exhibits. (NO CHARGE)	1.80	N/C
J. D. Maglich	01/13/21	B110	A103	Continue drafting motion for approval of sale of Banco Espanol building and overbid procedures.	1.30	383.50

MARK KORNFELD, RECEIVER  
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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	01/13/21	B110	A104	Review Mr. Williams motion for payment for e-discovery vendor and interrogatories to SEC.	0.40	118.00
M. A. Kornfeld	01/14/21	B110	A104	Review, analyze SEC, Mr. Williams, discovery requests, order, witness files regarding own investigation, for third-party litigation claims.	1.40	612.50
M. A. Kornfeld	01/14/21	B120	A104	Emails, confer with counsel, review purchase agreement, discuss statutory notice, post notice bidding processes, timing, closing with J. Maglich, regarding Old San Juan building.	1.00	437.50
M. A. Kornfeld	01/14/21	B210	A107	Tend to pension, benefits, year-end taxes.	0.50	218.75
M. A. Kornfeld	01/14/21	B120	A104	Review, analyze appraisals, background on apartments, discussions with M. Mr. Williams counsel regarding same.	0.40	175.00
J. D. Maglich	01/14/21	B110	A103	Continue drafting and revising Fourth Fee Application, reviewing invoices, and preparing exhibits. (NO CHARGE)	1.80	N/C
J. D. Maglich	01/14/21	B110	A107	Review Holland & Knight production and subpoena and participate in telephone call with Charles Wachter regarding status.	1.60	472.00
J. D. Maglich	01/14/21	B110	A103	Begin drafting interim report.	1.50	442.50
J. D. Maglich	01/14/21	B120	A103	Continue revising motion to approve sale of bank building.	1.10	324.50
J. D. Maglich	01/14/21	B310	A104	Review status of received and returned proof of claim packets and exchange correspondence with investors.	0.50	147.50
J. D. Maglich	01/14/21	B310	A104	Access review platform to review pre-2013 documentation regarding distributions to investors.	0.40	118.00
J. D. Maglich	01/14/21	B110	A104	Review Mr. Williams' proposed motion for extension of time to complete discovery and confer with Receiver regarding same.	0.30	88.50
J. D. Maglich	01/14/21	B110	A108	Correspond with Justine Wagner regarding status of subpoena for other Kinetic entity records.	0.20	59.00

MARK KORNFELD, RECEIVER  
 RE: IN RE: KINETICS  
 0103373-000001

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	01/14/21	B110	A104	Review Court order granting payment of e-discovery invoices and coordinate payment of same.	0.20	59.00
M. A. Kornfeld	01/15/21	B110	A104	Review, analyze third-party documents, diligence, red flags, scope of accounting work ,minutes/investment committee diligence by third parties, intra company loans, wires to Puerto Rico entities, real estate offers using Kinetic funds, AMEX payments.	2.00	875.00
M. A. Kornfeld	01/15/21	B120	A108	Call with broker, counsel, J. Maglich regarding bank letter, procedures, statutory period, disclosures, timing, loan application, escrow.	0.70	306.25
M. A. Kornfeld	01/15/21	B210	A104	Tend to tax, benefits account info, year-end filings.	0.40	175.00
J. D. Maglich	01/15/21	B110	A103	Revise and finalize Fourth Fee Application and exhibits and prepare for transmittal to SEC. (NO CHARGE)	2.80	N/C
J. D. Maglich	01/15/21	B110	A103	Continue drafting Interim Report.	2.80	826.00
J. D. Maglich	01/15/21	B120	A108	Telephone call with Ben Rivera and Zwindi Iglesias regarding sale process status and review correspondence from bank regarding same.	0.70	206.50
J. D. Maglich	01/15/21	B210	A104	Review retirement plan correspondence and confer with Bill Price regarding closing out of plan.	0.30	88.50
M. A. Kornfeld	01/18/21	B110	A104	Email, documents, lengthy memo to J. Maglich regarding discovery, Mr. Williams, Interim Report, response to bank, Lendacy, proof of claims, publication, William (Brad) Call, Plan de Pensiones Ministerial Inc., Ida P., Quetglas affidavit, Noel Zamot, Aerospace, ISX, calibrated Capital, Frye, Famiglio, third-party actions to recover ill-gotten gains, fees Interim Report.	2.50	1,093.75

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M. A. Kornfeld	01/18/21	B120	A104	Receivership claims process/witness files review – third-party subpoenas/document -- Consultiva, Universidad, Holland knight, Eddie Ball, John Symmes, Kelli Pudahl, Carla Mendez, Kelli Locke, A. Gaur.	2.00	875.00
M. A. Kornfeld	01/18/21	B120	A104	Emails, review analysis sale of Old San Juan, apartments, motion to court regarding approval, purchaser bank letter, financing, strategy, statutory requirements, multiple bidders, process.	1.00	437.50
M. A. Kornfeld	01/18/21	B110	A104	Analysis of non-investor, investor Lendacy loans, defaults, strategy, demand letters, authorization relating to same.	1.00	437.50
M. A. Kornfeld	01/19/21	B110	A105	Emails, calls, confer with J. Maglich regarding motion to court relating to sale of building, additional bidders, timing, process regarding same, analysis of statutory provision for new bids	1.50	656.25
M. A. Kornfeld	01/19/21	B110	A105	Review, analyze recent proofs of claims, Lendacy files.	1.50	656.25
M. A. Kornfeld	01/19/21	B110	A105	Confer with J. Maglich regarding claims notice re publication.	0.20	87.50
J. D. Maglich	01/19/21	B110	A103	Continue drafting interim report.	1.80	531.00
J. D. Maglich	01/19/21	B110	A103	Continue drafting motion to approve sale of Banco Espanol property.	1.50	442.50
M. A. Kornfeld	01/20/21	B110	A104	Review analyze Lendacy files and statements for delinquents, offsets, claims questions.	2.00	875.00
M. A. Kornfeld	01/20/21	B110	A104	Review analyze outstanding discovery to receivership entities, follow up with J. Maglich regarding same.	1.00	437.50
M. A. Kornfeld	01/21/21	B120	A104	Review, analyze, commissions, Kinetic Fund record gaps for certain customers, Werbin, EHS, Lendacy, loan agreements, files for approximately 3 dozen Kinetic investors.	3.00	1,312.50
M. A. Kornfeld	01/21/21	B120	A104	Review, analyze, outline questions for counsel, forensic accountants, Yip, regarding loans, interest repayments/defaults, inquiry notice.	1.50	656.25



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M. A. Kornfeld	01/21/21	B120	A104	Emails, confer with J. Maglich regarding same.	1.00	437.50
J. D. Maglich	01/21/21	B120	A104	Review appraisals and purchase agreement and continue drafting motion to approve proposed sale and overbid procedures for Banco Espanol property.	2.50	737.50
M. A. Kornfeld	01/22/21	B110	A104	Review, analyze third-party records, custodial statements, legacy loans, for proofs of claim, assessment for demand letters, potential recovery litigation, against non-claimant borrowers.	2.50	1,093.75
M. A. Kornfeld	01/22/21	B110	A104	Review, revise, draft motion to approve sale Old San Juan building and publication, notice and overbidding procedures.	1.20	525.00
J. D. Maglich	01/22/21	B120	A104	Review caselaw and statutory authority regarding Receiver's sale of real property, continue drafting motion to approve sale and overbid procedures for Banco Espanol, and confer with Receiver regarding same.	3.20	944.00
J. D. Maglich	01/22/21	B110	A103	Continue drafting interim report.	0.80	236.00
J. D. Maglich	01/22/21	B110	A104	Review Mr. Williams' revised draft motion to extend discovery and SEC's comments regarding same.	0.30	88.50
J. D. Maglich	01/22/21	B120	A103	Draft correspondence to third appraiser for Villa Gabriella.	0.20	59.00
M. A. Kornfeld	01/23/21	B110	A103	Draft, review, revise, confer with J. Maglich regarding motion to approve sale of Old San Juan building, publication, notice and overbid procedures, discussion about confidentiality, in soliciting additional bids, best and final offers, earnest money, cash vs financing, diligence, proof of funds, bank comfort letters.	2.00	875.00

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M. A. Kornfeld	01/25/21	B110	A105	Meet, confer, emails, analysis with L. Humphries, to J. Maglich regarding Lendacy borrowers, claims, asset searches (Ida P, Pinnow), Werbin, service providers, commissions/agents, re-publication of notices, discovery, bar date, Frye/Silexx, Symmes.	2.00	875.00
M. A. Kornfeld	01/25/21	B110	A105	Calls, emails, confer with J. Maglich regarding interim report, revising/finalizing motion to be served on sale of real state regarding purchase price, over-bidder procedures, publication.	1.00	437.50
M. A. Kornfeld	01/25/21	B110	A105	Review, analyze status as to proofs of claim for arising from Puerto Rico Community Foundation inquiries, documents delivered.	0.90	393.75
M. A. Kornfeld	01/25/21	B110	A105	Emails, confer with J. Maglich regarding Mr. Williams deposition.	0.20	87.50
J. D. Maglich	01/25/21	B120	A103	Continue drafting Motion to Approve Sale of Banco Espanol Building and begin drafting associated exhibits.	3.50	1,032.50
J. D. Maglich	01/25/21	B110	A103	Continue drafting Fourth Interim Report.	1.20	354.00
J. D. Maglich	01/25/21	B110	A105	Meet with Receiver and team regarding outstanding litigation, asset liquidation, and case items.	1.00	295.00
J. D. Maglich	01/25/21	B110	A104	Review stipulation regarding remote depositions and correspond with Receiver and Stephanie Moot regarding same.	0.40	118.00
L. Humphries	01/25/21	B110	A109	Attendance at phone conference regarding issue with dispersement of property located as Sarasota Storage unit, sale of Puerto Rican real property, upcoming deadlines for investors, and ongoing discovery.	0.60	162.00
L. Humphries	01/25/21	B110	A104	Meet and confer with Receiver regarding secondary publication and asset history of involved affiliates.	0.50	135.00
L. Humphries	01/25/21	B210	A104	Review and analysis of email correspondence regarding sale of Old San Juan building.	0.10	27.00

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T. A. Pellegrine	01/25/21	B100	A101	Initial review of case and outstanding tasks for upcoming marketing and sale of real estate, management of stored office inventory and handling of claims.	0.60	117.00
M. A. Kornfeld	01/26/21	B110	A105	Confer with J. Maglich regarding net winners, clawbacks, service providers, commissions, investors and borrowers in default, interest components under loan agreements, timing of defaults, proofs of claims, call with Commission regarding anticipated third-party recovery efforts and negotiations for repayments and equities and risk reward analysis relating to all.	1.00	437.50
M. A. Kornfeld	01/26/21	B110	A103	Review Proofs of Claims.	0.70	306.25
M. A. Kornfeld	01/26/21	B110	A103	Review, revise interim report.	0.40	175.00
J. D. Maglich	01/26/21	B110	A103	Continue drafting Fourth Interim Report.	2.50	737.50
J. D. Maglich	01/26/21	B120	A103	Revise and finalize motion to approve sale of Banco Espanol building and corresponding exhibits and review caselaw regarding similar relief granted in 11th Circuit.	1.40	413.00
J. D. Maglich	01/26/21	B110	A108	Correspond with Stephanie Moot regarding Receiver's fourth fee application and finalize for filing. (NO CHARGE)	1.00	N/C
J. D. Maglich	01/26/21	B110	A106	Confer with Receiver and analyze potential third-party causes of action and next steps.	0.70	206.50
J. D. Maglich	01/26/21	B310	A104	Review status of received claims and analyze outstanding returned or undeliverable claims.	0.50	147.50
J. D. Maglich	01/26/21	B310	A104	Review PRCF proof of claim and correspond with PRCF regarding same.	0.30	88.50
M. A. Kornfeld	01/27/21	B110	A104	Review analyze Lendacy files relating to affirmative defenses being asserted by Mr. Williams in action versus SEC as relates to proof of claims and offsetting cash in cash out methodology for those Kinetic investors and non investors who took Lendacy loans, defaults.	2.00	875.00

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M. A. Kornfeld	01/27/21	B110	A104	Review, analyze, confer with J. Maglich regarding Mr. Williams discovery responses to SEC on interrogatories relating to sale of securities and ISX technology development and valuation relating to same, Mr. Williams upcoming deposition, disgorgement.	1.00	437.50
M. A. Kornfeld	01/27/21	B110	A104	Analyze Mr. Williams repayment of purportedly backdated non lengths "loans" and dividends.	0.50	218.75
M. A. Kornfeld	01/27/21	B120	A106	Emails throughout day with J. Maglich, Ben Rivera, regarding marketing and appraisals for sale of apartments and parking space.	0.40	175.00
M. A. Kornfeld	01/27/21	B120	A106	Emails with J. Maglich regarding overbidding procedures and 1/28 call to be had with SEC in furtherance of said motion to be filed on sale of Old San Juan building and Mr. Williams queries regarding same.	0.20	87.50
J. D. Maglich	01/27/21	B120	A103	Continue finalizing motion to sell Banco Espanol property and corresponding exhibits and confer with SEC and Mr. Williams regarding requested relief.	1.30	383.50
J. D. Maglich	01/27/21	B110	A104	Review Mr. Williams' discovery responses and confer with Receiver regarding same.	0.70	206.50
J. D. Maglich	01/27/21	B120	A108	Coordinate appraisal of Villa Gabriella and confer with appraiser, broker, and Mr. Williams' counsel regarding same	0.40	118.00
J. D. Maglich	01/27/21	B110	A104	Review correspondence and stipulation regarding deposition procedures.	0.20	59.00
J. D. Maglich	01/27/21	B110	A104	Review Court's Order referring motion to modify asset freeze order to Magistrate	0.10	29.50
L. Humphries	01/27/21	B120	A104	Review and analysis of various correspondence regarding asset search of affiliates of Mr. Williams.	0.30	81.00
L. Humphries	01/27/21	B120	A104	Review and analysis of Defendant Mr. Williams' Response to SEC's Initial Discovery. (NO CHARGE)	0.20	N/C

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M. A. Kornfeld	01/28/21	B110	A105	Emails, confer with J. Maglich regarding analysis of legal/factual investigative memo on claims, asset recovery options, clawbacks, defaulting borrowers, service providers, certain of Mr. Williams' service provider representations in transferred monies.	1.20	525.00
M. A. Kornfeld	01/28/21	B110	A105	Call with SEC, J. Maglich regarding Receiver's overbidding sale of property statutory requirements and proposed procedures, discovery, and ongoing investigation of assets and possible demands, claims.	1.00	437.50
M. A. Kornfeld	01/28/21	B110	A105	Calls, emails throughout day with J. Maglich regarding emails, calls from Mr. Williams' counsel, SEC, finalizing and filing the sale of property motion.	0.90	393.75
M. A. Kornfeld	01/28/21	B110	A105	Emails, analysis confer with J. Maglich regarding treatment of dividend income, accruing interest obligations, commissions, repayments, and potential third-party claims.	0.60	262.50
M. A. Kornfeld	01/28/21	B110	A105	Emails, confer with J. Maglich throughout day regarding proofs of claims, sale of apartment and parking space and overall strategy, discovery, timeline.	0.50	218.75
M. A. Kornfeld	01/28/21	B110	A105	Review, analyze, update info relating to proofs of claims.	0.40	175.00
M. A. Kornfeld	01/28/21	B110	A105	Emails, confer with J. Maglich regarding purchaser/borrower diligence, comfort letters, proof of funds, mortgage application and third-party funds verifications.	0.40	175.00
M. A. Kornfeld	01/28/21	B110	A105	Review, confer with J. Maglich regarding interim report to be filed 1/29.	0.20	87.50
M. A. Kornfeld	01/28/21	B110	A105	Emails, review, approve communication to investors regarding proofs of claims, publication to them on web site, via email regarding upcoming bar date.	0.20	87.50

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M. A. Kornfeld	01/28/21	B210	A105	Emails, approve confer with J. Maglich regarding former Kinetic Fund employees W2s and tax forms.	0.20	87.50
M. A. Kornfeld	01/28/21	B110	A105	Review, analyze, confer with J. Maglich, sec regarding magistrate order on Mr. Williams legal fees, and receiver obligations relating to same	0.20	87.50
J. D. Maglich	01/28/21	B110	A104	Review documents produced by BMO Harris and exchange correspondence with forensic accountants regarding same.	1.80	531.00
J. D. Maglich	01/28/21	B310	A104	Review status of claims process and outreach, exchange correspondence with potential investors regarding claims bar date, and confer with Receiver regarding same.	0.80	236.00
J. D. Maglich	01/28/21	B110	A104	Telephone call with Stephanie Moot regarding case status, claims status, third-party claims, and bank sale.	0.80	236.00
J. D. Maglich	01/28/21	B110	A108	Telephone and email correspondence with Mr. Williams' counsel regarding bank sale motion and status of appraisal visit for Villa Gabriela.	0.40	118.00
J. D. Maglich	01/28/21	B110	A104	Review Court's Order granting in part Mr. Williams' motion to modify asset freeze order and extend discovery deadlines.	0.30	88.50
J. D. Maglich	01/28/21	B210	A104	Review ADP tax notices and exchange correspondence with office employees regarding same.	0.30	88.50
M. A. Kornfeld	01/29/21	B110	A104	Outline items of interest for Mr. Williams deposition.	1.00	437.50
M. A. Kornfeld	01/29/21	B110	A104	Review, analyze Handin, Symmes, service provider files.	0.50	218.75
M. A. Kornfeld	01/29/21	B110	A105	Emails, confer with J. Maglich regarding filings of interim report and motion to sell building.	0.50	218.75
J. D. Maglich	01/29/21	B110	A103	Revise and finalize Interim Report and prepare motion and exhibits for filing.	2.40	708.00
J. D. Maglich	01/29/21	B120	A103	Revise and finalize Motion to Approve Sale of El Banco Espanol and prepare motion and exhibits for filing.	1.60	472.00

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J. D. Maglich	01/29/21	B120	A103	Review Order Appointing Receiver and begin drafting motion to approve pre-suit collection/clawback procedures.	1.30	383.50
J. D. Maglich	01/29/21	B210	A103	Exchange correspondence with A.G. regarding tax documentation and USCIS form.	0.20	59.00
L. Humphries	01/29/21	B120	A104	Review and analysis of draft Fourth Interim Report for Court summarizing for court updates on sale of Puerto Rican Real Property, potential litigation claims, and review of relevant documentation regarding Kinetic entities.	0.40	108.00
L. Humphries	01/29/21	B120	A104	Review and analysis of documents memorializing sale of real property and Motion to approve said sale. (NO CHARGE)	0.20	N/C
M. A. Kornfeld	02/01/21	B110	A104	Review, analyze all proof of claims files, investor statements, Lendacy work product analysis, analysis of loan defaults.	2.00	875.00
M. A. Kornfeld	02/01/21	B110	A105	Emails, confer with J. Maglich regarding discovery responses, Mr. Williams deposition, recent information regarding use of monies, travel, proceeds, asset tracing, work product relating to Williams family, asset transfers.	0.90	393.75
M. A. Kornfeld	02/01/21	B110	A105	Emails, calls with J. Maglich regarding investor queries, proofs of claims, review, address correspondence relating to same.	0.50	218.75
M. A. Kornfeld	02/01/21	B120	A105	Confer with J. Maglich re proposed responses to objections by Mr. Williams regarding motion to approve procedures for sale of bank building, addressing issues relating to same.	0.40	175.00
M. A. Kornfeld	02/01/21	B120	A105	Emails, confer with J. Maglich, broker regarding appraisals of apartment, parking spaces, marketing strategy, next steps.	0.20	87.50
J. D. Maglich	02/01/21	B120	A103	Draft motion to approve pre-settlement procedure	1.50	442.50

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J. D. Maglich	02/01/21	B110	A101	Participate in test run for deposition of Michael Williams	0.50	147.50
J. D. Maglich	02/01/21	B310	A108	Exchange correspondence with investor S.C. and confer with Receiver regarding same	0.30	88.50
J. D. Maglich	02/01/21	B120	A108	Confer with Ben Rivera regarding status of appraisals.	0.30	88.50
J. D. Maglich	02/01/21	B120	A108	Exchange correspondence with Zwindi Iglesias regarding sale of Banco Espanol	0.20	59.00
J. D. Maglich	02/01/21	B210	A108	Correspondence with Sarasota office employees regarding W-2.	0.20	59.00
T. A. Pellegrine	02/01/21	B110	A104	Reviewed the receivership website and noted areas for changes and additions; Reviewed First and Third interim Fee Applications to secure case facts and status. (NO CHARGE)	1.00	N/C
M. A. Kornfeld	02/02/21	B110	A104	Review, analyze, confer with J. Maglich regarding, comments on motion to be filed relating to request for authority, demand letters, third-party claims, possible litigation against categories of individuals, review, analyze forms and work product relating to same.	1.50	656.25
M. A. Kornfeld	02/02/21	B210	A104	Review, analyze tax, ERISA and other year-end filing requirements, information received from ServisFirst.	0.50	218.75
M. A. Kornfeld	02/02/21	B120	A105	Review, confer with J. Maglich, our broker regarding "Receiver's motion regarding old San Juan building, over bidders", timing.	0.50	218.75
M. A. Kornfeld	02/02/21	B110	A104	Review, analyze, clawback elements for false profits, early withdrawals, asset transfers to family and friends, insolvency issues.	0.40	175.00
M. A. Kornfeld	02/02/21	B110	A104	Review, analyze, advise J. Maglich regarding investor inquiry regarding submitting and filing proof of claim, and discussions and reconciliations of any discrepancies, documentation issues during review process.	0.40	175.00



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M. A. Kornfeld	02/02/21	B120	A105	Emails, confer with J. Maglich regarding securing final appraisals, marketing, process, listing of apartment building, parking spaces.	0.40	175.00
J. D. Maglich	02/02/21	B120	A103	Continue drafting motion to approve pre-settlement procedure and confer with Receiver regarding same.	1.30	383.50
J. D. Maglich	02/02/21	B110	A104	Review imaged computers from Puerto Rico.	1.00	295.00
J. D. Maglich	02/02/21	B120	A108	Confer with appraisers and listing agent regarding appraisal of Villa Gabriella	0.20	59.00
J. D. Maglich	02/02/21	B310	A103	Draft correspondence to J.S. regarding proof of claim receipt.	0.10	29.50
M. A. Kornfeld	02/03/21	B120	A104	Review, analyze, review work product regarding SILEXX, Frye, sale of assets to CBOE, third-party motion to unfreeze certain bank accounts, emails, confer with J. Maglich regarding same.	1.00	437.50
M. A. Kornfeld	02/03/21	B110	A104	Review, analyze outstanding discovery and investigatory matters relating to Mr. Williams, asset searches, his stay in Portugal, American Express charges, monies to family members, and other third parties, motion to be filed with the court on authority to proceed if and as necessary against any third parties, potential litigation.	1.00	437.50
M. A. Kornfeld	02/03/21	B120	A104	Emails, direct J. Maglich regarding marketing apartments, and response to overbidder inquiries on bank building.	0.50	218.75
M. A. Kornfeld	02/03/21	B120	A104	Review, analyze emails regarding broker-dealer inspection. Appraisals, assets to potentially be seized and stored, reviewing scope of Receivership Order as to receivership entities.	0.50	218.75
M. A. Kornfeld	02/04/21	B110	A104	Emails, confer with J. Maglich, review, analyze motion, work product regarding unfreezing of assets, Silexx, CBOE sale, receiver position, response to same.	1.00	437.50

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M. A. Kornfeld	02/04/21	B120	A105	Emails, advise, confer with J. Maglich regarding emails, expressions of interest, marketing of the apartment building and parking spaces, transparency, disclosures, soliciting bids, securing property, assets, artwork.	1.00	437.50
M. A. Kornfeld	02/04/21	B110	A105	Emails, confer with J. Maglich regarding publication, next steps claims process analyzing what has been filed to date, what has not.	1.00	437.50
M. A. Kornfeld	02/04/21	B110	A104	Review, analyze, confer with J. Maglich regarding proposed pre suit demand letter, settlement approach motion to be filed, meet and confer discussions with the Commission and Mr. Williams counsel regarding same.	0.40	175.00
M. A. Kornfeld	02/04/21	B110	A104	Review, analyze, confer with J. Maglich regarding second proposed order, Receivers obligations to release funds, as so ordered.	0.20	87.50
J. D. Maglich	02/04/21	B210	A108	Telephone call and correspondence with forensic accountants regarding Amex analysis and third-party claims.	0.60	177.00
J. D. Maglich	02/04/21	B210	A104	Review report from broker regarding visit to Villa Gabriella, review photos, and confer with Receiver regarding same.	0.60	177.00
J. D. Maglich	02/04/21	B110	A104	Review Obsidian's motion to modify asset freeze order, confer with Receiver, and exchange correspondence with Obsidian's counsel regarding same	0.50	147.50
J. D. Maglich	02/04/21	B210	A104	Review bank statements and participate in telephone and email correspondence ADP regarding payroll servicing.	0.40	118.00
J. D. Maglich	02/04/21	B310	A108	Exchange correspondence with investor L.C. regarding proof of claim status and claim bar date.	0.30	88.50
J. D. Maglich	02/04/21	B110	A104	Review SEC's proposed order on motion to modify asset freeze, confer with Receiver, and exchange correspondence with Stephanie Moot regarding same.	0.30	88.50

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J. D. Maglich	02/04/21	B210	A104	Review 401k plan correspondence and confer with Bill Price regarding same.	0.30	88.50
M. A. Kornfeld	02/05/21	B110	A104	Review, analyze, comments, confer with J. Maglich on multiple items including motions to be filed regarding response to Frye motion, regarding CBOE/Silexx, filing ISX valuation motion, Mr. Williams deposition, securing artwork, accrued interest, Lendacy defaults, non-claimants, year-end filings, items in storage, ongoing issues relating to overbids, and other real property matters, timing issues.	1.50	656.25
M. A. Kornfeld	02/05/21	B110	A104	Review, analyze, work product from Yip, Amex charges, asset tracing, regarding potential third-party claims, large Williams-related purchases, statute of limitations for net winner/claw back actions.	0.50	218.75
M. A. Kornfeld	02/05/21	B110	A104	Emails, confer with J. Maglich, L. Humphries regarding Silexx, ISX valuation, Mr. Frye motion to release funds.	0.30	131.25
M. A. Kornfeld	02/05/21	B110	A104	Review and confer with J. Maglich regarding recent Proof of Claim.	0.20	87.50
J. D. Maglich	02/05/21	B120	A103	Continue revising motion to approve settlement procedure.	1.50	442.50
J. D. Maglich	02/05/21	B310	A104	Analyze potential clawback and fraudulent transfers actions and prepare spreadsheet of relevant information and dates.	1.50	442.50
J. D. Maglich	02/05/21	B310	A107	Telephone call with Stephanie Moot regarding motion to approve settlement procedure and potential third-party claims.	0.60	177.00
J. D. Maglich	02/05/21	B310	A104	Review new claims and revise analysis and review of currently received claims.	0.50	147.50
J. D. Maglich	02/05/21	B120	A105	Confer with L. Humphries regarding motion to value ISX asset.	0.30	88.50

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M. A. Kornfeld	02/08/21	B110	A105	Review, analyze updated forensics information in support of motions, recovery and possible clawback actions, next steps, discussions once all claims submitted by February 15th.	1.40	612.50
M. A. Kornfeld	02/08/21	B110	A103	Review, revisions to motion on court approval for asset recovery authority for demands, litigation if and only if necessary, discussions, confer with J. Maglich, emails with SEC, Mr. Williams counsel regarding same.	1.00	437.50
M. A. Kornfeld	02/08/21	B110	A105	Emails, confer with J. Maglich regarding review, analysis of recent proofs of claims.	0.50	218.75
M. A. Kornfeld	02/08/21	B110	A105	Emails confer with J. Maglich regarding counsel outreach on behalf of claimants.	0.20	87.50
M. A. Kornfeld	02/08/21	B110	A105	Emails, confer with J. Maglich, SEC regarding Mr. Williams deposition, discovery responses, bar date, sale of real property.	0.20	87.50
J. D. Maglich	02/08/21	B310	A104	Analyze strategy for claims distribution, objection, and determination and begin drafting Motion to Approve Claim Determination, Priority, And Objection Procedures.	4.50	1,327.50
J. D. Maglich	02/08/21	B120	A104	Continue analyzing potential third-party claims, confer with Receiver and opposing counsel, and revise Motion to Approve Framework to pursue Potential third-party Claims.	2.40	708.00
J. D. Maglich	02/08/21	B110	A107	Telephone call and correspondence with Holland & Knight regarding subpoena response and review previous production.	0.60	177.00
J. D. Maglich	02/08/21	B310	A104	Review new Proof of Claim form and correspond with claimant regarding same.	0.30	88.50
J. D. Maglich	02/08/21	B210	A108	Confer with Bill Price regarding status of tax form.	0.20	59.00

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L. Humphries	02/08/21	B110	A104	Review and analysis of Kinetic documents, ISX software documents, and various correspondence in preparation of motion to assist receiver in asset valuation.	1.40	378.00
L. Humphries	02/08/21	B120	A104	Preparation of Motion to retain professionals to assist the Receiver with the review and valuation of source code.	0.80	216.00
M. A. Kornfeld	02/09/21	B110	A105	Review, analyze clawback case law, fictitious profits or early withdrawals in cases involving Ponzi scheme presumption, insolvency at time of transfer.	0.60	262.50
M. A. Kornfeld	02/09/21	B110	A104	Review, analyze recent proof of claims.	0.50	218.75
M. A. Kornfeld	02/09/21	B110	A108	Review, analyze, final comments to motion on authorization for asset recovery demands, potential litigation if needed.	0.40	175.00
M. A. Kornfeld	02/09/21	B110	A105	Emails, advise, confer, with J. Maglich regarding Silexx, formal position responding to motion regarding same.	0.40	175.00
M. A. Kornfeld	02/09/21	B110	A108	Emails, with J. Maglich regarding Interactive brokers, annual statements, Mr. Williams deposition.	0.20	87.50
J. D. Maglich	02/09/21	B310	A103	Continue drafting Motion to Approve Claim Determination, Priority, And Objection Procedures.	3.10	914.50
J. D. Maglich	02/09/21	B110	A104	Review and finalize Fourth Fee Application and confer with opposing counsel regarding same. (NO CHARGE)	1.50	N/C
J. D. Maglich	02/09/21	B120	A104	Revise and finalize Motion to Approve Framework to pursue Potential third-party Claims and confer with Hal Levenberg regarding same.	1.40	413.00
J. D. Maglich	02/09/21	B110	A108	Confer with Stephanie Moot regarding Williams deposition and Interactive Brokers statements.	0.30	88.50
J. D. Maglich	02/09/21	B310	A107	Telephone and email correspondence with attorney for G.W. claimants and review submitted proof of claim	0.30	88.50

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L. Humphries	02/09/21	B120	A104	Review and analysis of Receiver's interim report regarding ISX software and background of ISX, LLC.	1.20	324.00
M. A. Kornfeld	02/10/21	B110	A104	Review, analyze, emails, confer with J. Maglich throughout the day regarding Mr. Williams' deposition, description of assets, motion for Receiver's authority to assert as needed claims, state of Ida P., assets, living arrangements, potential misuse of investor proceeds, artwork, ongoing marketing and sale of apartment and parking spaces, review of motion to retain appraiser for ISX technology valuations, recent proofs of claims, items for claims analysis, stature of limitations, calibrated capital, discovery requirements for claims assessment.	2.50	1,093.75
J. D. Maglich	02/10/21	B110	A109	Attend deposition of Michael Williams and draft memo to file regarding same.	8.00	2,360.00
J. D. Maglich	02/10/21	B120	A103	Revise and finalize motion to approve procedure to pursue third-party claims, confer with Receiver, and prepare for filing.	1.20	354.00
J. D. Maglich	02/10/21	B310	A104	Review three new Proof of Claim forms received, revise list of received claims, and confer with Receiver regarding same.	0.50	147.50
J. D. Maglich	02/10/21	B120	A104	Review and compile list of outstanding Lendacy loan recipients.	0.40	118.00
L. Humphries	02/10/21	B120	A104	Per Receiver, J. Maglich continue high level review of documents regarding Kinetic entities, Lendacy loan program, documents evidencing transfers, and individual investor information for assistance with claim attachments.	2.40	648.00
L. Humphries	02/10/21	B120	A104	Preparation of edits to Motion for Authorization for Receiver to Retain Professional.	0.50	135.00

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M. A. Kornfeld	02/11/21	B110	A105	Emails, ongoing analysis, calls conferring with J. Maglich throughout day regarding investor and service provider proofs of claims, ISX valuation, subpoenas to be issued, Holland and Knight, Ida P, Mr. Williams deposition, sale of building and apartment, retention of appraisal tech expert, recent proof of claims, outreach and notice to potential claimants not yet received, bar date, calls with Sayre and Bishop regarding technology, Fogarties submitted proofs of claim, newest filings.	3.50	1,531.25
J. D. Maglich	02/11/21	B310	A103	Continue drafting Motion to Approve Claim Determinations, Objections, and Distribution Procedures.	2.30	678.50
J. D. Maglich	02/11/21	B110	A108	Telephone call with James Bishop and draft memo to file regarding same.	1.00	295.00
J. D. Maglich	02/11/21	B110	A108	Telephone call with Michael Sayre and draft memo to file regarding same.	0.70	206.50
J. D. Maglich	02/11/21	B120	A103	Review and revise Motion to perform valuation of ISX asset.	0.60	177.00
J. D. Maglich	02/11/21	B310	A104	Review, analyze new proofs of claim, analyze status of received claims, and confer with Receiver regarding same.	0.60	177.00
J. D. Maglich	02/11/21	B120	A105	Confer with Receiver regarding status of third-party claims, process, real estate holdings, and next steps.	0.60	177.00
J. D. Maglich	02/11/21	B110	A104	Review new documents produced by American Express.	0.60	177.00
J. D. Maglich	02/11/21	B120	A103	Draft correspondence to I. Rodriguez regarding Villa Gabriella title.	0.20	59.00
J. D. Maglich	02/11/21	B310	A108	Telephone call and correspondence with investor R.M. re Proof of Claim submission.	0.20	59.00
M. A. Kornfeld	02/12/21	B310	A104	Review, analyze, Symmes, Fogarty work product, claims, documents.	1.50	656.25
M. A. Kornfeld	02/12/21	B110	A104	Analyze, confer with J. Maglich regarding claims processes, strategies, timing, ISX, technology valuation, Mr. Williams deposition.	1.00	437.50

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M. A. Kornfeld	02/12/21	B310	A104	Emails, review work product, documents, analysis relating to, Kinetics interest in Zephyr.	0.50	218.75
M. A. Kornfeld	02/12/21	B310	A104	Review, analyze claims.	0.10	43.75
J. D. Maglich	02/12/21	B110	A103	Revise and finalize Fee Application. (NO CHARGE)	1.50	N/C
J. D. Maglich	02/12/21	B120	A103	Draft template letter to send to Lendacy loan recipients.	0.70	206.50
J. D. Maglich	02/12/21	B110	A103	Prepare subpoenas for third-party transfer recipients.	0.50	147.50
J. D. Maglich	02/12/21	B120	A104	Review KIH bank statements from Banco Popular and correspond with Banco Popular regarding same.	0.50	147.50
J. D. Maglich	02/12/21	B310	A105	Meet with Receiver regarding status of CFSE proof of claim and draft correspondence re same to CFSE.	0.40	118.00
J. D. Maglich	02/12/21	B120	A107	Telephone call and correspondence with Holland & Knight regarding subpoena production.	0.40	118.00
J. D. Maglich	02/12/21	B110	A108	Telephone call with Jon Jacobson regarding pending motions and potential third-party claims.	0.30	88.50
J. D. Maglich	02/12/21	B120	A103	Revise motion to retain valuation professional for ISX.	0.30	88.50
J. D. Maglich	02/12/21	B310	A105	Confer with Receiver regarding JF/FT Proofs of Claim.	0.30	88.50
J. D. Maglich	02/12/21	B310	A108	Telephone call with investor M.S. regarding proof of claim.	0.20	59.00
M. A. Kornfeld	02/15/21	B110	A104	Review, analyze issues relating to certain claim seeking recompense through claims process.	1.50	656.25
M. A. Kornfeld	02/15/21	B110	A104	Review, analyze recent claims filed right before the bar date, emails with J. Maglich regarding same.	0.50	218.75
M. A. Kornfeld	02/15/21	B110	A104	Review, analyze confer with J. Maglich regarding Mr. Williams' proof of claim, impact on process, distribution schedule, timing.	0.50	218.75
J. D. Maglich	02/15/21	B310	A103	Continue drafting motion to approve claim determinations, priorities, and distribution.	2.90	855.50



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J. D. Maglich	02/15/21	B310	A104	Review proof of claim submissions and status of claim bar date deadline.	0.50	147.50
M. A. Kornfeld	02/16/21	B110	A105	Review, analyze and confer with J. Maglich throughout day regarding asset sale of technology platform, motion and tracing issues.	1.50	656.25
M. A. Kornfeld	02/16/21	B110	A105	Confer with J. Maglich and SEC regarding bar date, discovery, assets, subpoenas.	0.50	218.75
M. A. Kornfeld	02/17/21	B110	A104	Review, analyze work product, documents for meetings, discussion with J. Maglich, L. Humphries regarding third-party subpoenas to be issued, interest component on delinquent loans, Holland and Knight documents, overbidding process, marketing of building, ISX valuation and marketing of technology, reserves, ongoing discovery and enforcement proceeding, Frye, Symmes, prioritizing claimants.	3.00	1,312.50
M. A. Kornfeld	02/17/21	B110	A104	Review analyze confer with J. Maglich regarding largest claimants, differences in cash in cash out amounts being claimed, review analyze documents, financial statements relating to same.	1.00	437.50
M. A. Kornfeld	02/18/21	B110	A104	Review analyze apartment appraisals, motion for sale of real estate, motion and documents relating to tech valuation ISX, motions on release of proceeds for Mr. Frye, delinquent Lendacy loans, non claimants and analysis of distributions.	2.00	875.00
J. D. Maglich	02/18/21	B310	A104	Analyze timely submitted claims and prepare draft of claim determinations for discussion with Receiver.	2.50	737.50
J. D. Maglich	02/18/21	B310	A103	Continue drafting motion to approve claim priority and determination, objection procedure, and interim distribution.	1.40	413.00

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J. D. Maglich	02/18/21	B120	A104	Review status of Zephyr Aerospace investment, review production and latest news, and participate in phone and email correspondence with J.O. regarding status.	1.20	354.00
J. D. Maglich	02/18/21	B310	A108	Exchange correspondence with investor G.W. regarding Vantage account transfer.	0.20	59.00
M. A. Kornfeld	02/19/21	B110	A104	Review analyze: Yip individual cash in cash out calculations, supporting documentation.	1.00	437.50
M. A. Kornfeld	02/19/21	B110	A104	Review analyze: Lendacy financial statements, specific investor files.	1.00	437.50
M. A. Kornfeld	02/19/21	B110	A104	Analyze, emails confer throughout day with J. Maglich regarding common interest call, discovery items, motion practice.	0.60	262.50
M. A. Kornfeld	02/19/21	B110	A104	Review analyze: proof of claims submitted by Mr. Williams and the Fogarties and certain service providers, creditors.	0.40	175.00
J. D. Maglich	02/19/21	B310	A103	Continue drafting motion to approve claim priority and determination, objection procedure, and interim distribution.	3.40	1,003.00
J. D. Maglich	02/19/21	B310	A104	Research caselaw on claim priority and determination.	1.30	383.50
J. D. Maglich	02/19/21	B120	A108	Confer with Zwindi Iglesias regarding Villa Gabriella status and questions.	0.30	88.50
L. Humphries	02/19/21	B120	A104	Review and high level analysis of updated information of potential claimants for claims determination process.	0.40	108.00
M. A. Kornfeld	02/22/21	B110	A105	Exchange emails, analysis with J. Maglich regarding Cypress, proof of claims, equity, bar date, Lendacy.	0.50	218.75
J. D. Maglich	02/22/21	B310	A103	Continue drafting and revising motion for approval of claim determinations, distribution process, and objection procedures.	2.80	826.00

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J. D. Maglich	02/22/21	B310	A104	Analyze claims submitted by F.T. and J.F., review existing bank and brokerage records, and prepare notes for call with forensic accountants regarding same.	1.40	413.00
J. D. Maglich	02/22/21	B310	A104	Review investor statements showing investments in other KF sub-funds and analyze strategy regarding treatment and pooling of sub-funds.	1.30	383.50
J. D. Maglich	02/22/21	B110	A104	Review and gather invoices prepared by El Morro for payment by Kinetic Investment Group and review bank statements showing flow of funds.	1.00	295.00
J. D. Maglich	02/22/21	B310	A104	Review claims that disagreed with Receiver's analysis and prepare notes for call with forensic accountants regarding same.	0.80	236.00
J. D. Maglich	02/22/21	B310	A108	Telephone and email correspondence with investors L.W. and C.E. regarding claim bar date and status of claims process.	0.50	147.50
J. D. Maglich	02/22/21	B110	A107	Telephone call with Stephanie Moot regarding various records.	0.30	88.50
J. D. Maglich	02/22/21	B110	A104	Correspondence with Banco Popular regarding records request.	0.20	59.00
J. D. Maglich	02/23/21	B310	A103	Continue drafting motion for approval of claim determinations, distribution process, and objection procedures	2.90	855.50
J. D. Maglich	02/23/21	B310	A108	Telephone call and correspondence with Hal Levenberg and Nicole Escudero regarding claims analysis, submitted proofs of claim, and Lendacy loan status.	1.20	354.00
J. D. Maglich	02/23/21	B110	A104	Review SEC First Request for Production and draft Responses and Objection to same.	1.20	354.00
J. D. Maglich	02/23/21	B310	A108	Telephone calls and correspondence with investor L.W. regarding untimely proof of claim and related questions.	0.50	147.50
J. D. Maglich	02/23/21	B120	A108	Confer with Puerto Rico counsel regarding status of Villa Gabriella title.	0.30	88.50

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J. D. Maglich	02/24/21	B110	A103	Continue revising Responses and Objections to SEC's First Request for Production, confer with Yip & Associates regarding responsive and supporting documentation, and continue locating and preparing documents for production.	3.50	1,032.50
J. D. Maglich	02/24/21	B310	A108	Multiple telephone and email correspondence with L.W. regarding proof of claim submission and questions and confer with Receiver regarding same.	0.90	265.50
J. D. Maglich	02/24/21	B310	A108	Telephone call with Hal Levenberg and Nicole Escudero regarding claims analysis and Lendacy loan status.	0.60	177.00
J. D. Maglich	02/24/21	B110	A104	Review Court's Orders on Asset Freeze, third-party Claims, and Silexx.	0.40	118.00
J. D. Maglich	02/24/21	B110	A104	Review Mr. Williams' Notice of SEC Rule 30b6 deposition.	0.30	88.50
J. D. Maglich	02/24/21	B110	A104	Review proposed order from Tim Schulz on asset freeze and draft correspondence regarding same.	0.20	59.00
J. D. Maglich	02/24/21	B110	A103	Review local rules and confer with SEC and Mr. Williams' counsel regarding ISX motion and motion for excess pages.	0.20	59.00
J. D. Maglich	02/25/21	B110	A103	Revise Responses and Objections to SEC's First Request for Production, confer with Receiver regarding same and document production, and continue gathering documents to be assembled for production.	2.40	708.00
J. D. Maglich	02/25/21	B120	A104	Review Court's Order on third-party claim procedure and prepare template letters to transfer recipients.	1.30	383.50
J. D. Maglich	02/25/21	B310	A103	Revise motion to approve claim determination, objection procedures, and first distribution.	1.10	324.50
J. D. Maglich	02/25/21	B110	A103	Draft and revise subpoenas for third-party recipients and prepare notice of filing.	0.80	236.00

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J. D. Maglich	02/25/21	B310	A104	Review submitted proof of claims for L.W. and M.S., telephone calls with L.W. regarding same, and exchange correspondence regarding deficiencies.	0.70	206.50
T. A. Pellegrine	02/25/21	B110	A110	Began preparation of documents for production.	1.60	312.00
J. D. Maglich	02/26/21	B310	A108	Telephone call with Nicole Escudero and Hal Levenberg regarding claims analysis issues.	0.70	206.50
J. D. Maglich	02/26/21	B120	A108	Emails with Receiver and B. Rivera regarding correspondence from third-party interested in submitting overbid offer for Banco Espanol and review status of motion.	0.40	118.00
L. Humphries	02/26/21	B120	A104	Assessed claims information regarding individual investors prior to meeting with Receiver.	0.50	135.00
T. A. Pellegrine	02/26/21	B110	A101	Preparation of documents for production.	1.70	331.50
M. A. Kornfeld	02/27/21	B110	A104	Confer with J. Maglich regarding asset searches and asset preservation as relates to Mr. Williams, Ida P, Mr. Williams claims of being "penniless," securing art work, storage.	1.00	437.50
M. A. Kornfeld	02/27/21	B110	A104	Emails, analysis, of discussions with J. Maglich regarding discovery responses to Mr. Williams regarding same.	1.00	437.50
M. A. Kornfeld	02/27/21	B110	A104	Review, confer with J. Maglich regarding status, responses, objections, production relating to discovery requests from Mr. Williams to Receiver and SEC, motion practice relating to same with SEC.	1.00	437.50
M. A. Kornfeld	02/27/21	B110	A104	Review, confer with J. Maglich regarding Claimants and non claimants with unpaid Lendacy loans.	1.00	437.50
M. A. Kornfeld	02/27/21	B110	A104	Analysis, confer with J. Maglich regarding list and open issues as to third-party subpoenas, productions, possible need for depositions.	0.70	306.25

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M. A. Kornfeld	02/27/21	B110	A104	Review, emails with J. Maglich, regarding overbidder inquiries regarding building, process for inspecting same while motion to approve sale is pending.	0.50	218.75
M. A. Kornfeld	02/27/21	B110	A104	Review, analyze emails, produced documents, work product, strategic emails, open issues for 3/1 meeting with J. Maglich regarding Cypress, bar date.	0.50	218.75
M. A. Kornfeld	02/27/21	B110	A104	Confer with J. Maglich regarding timing as to claims determinations, motion to court regarding same.	0.40	175.00
M. A. Kornfeld	02/27/21	B110	A104	Priorities of investors, creditors, service providers, insiders, sales agents.	0.40	175.00
M. A. Kornfeld	02/27/21	B110	A104	Review, confer with J. Maglich regarding Appraisal of the apartment building and ISX valuation soft interest in purchasing the technology.	0.40	175.00
M. A. Kornfeld	02/27/21	B110	A104	Confer with J. Maglich regarding claw back actions, statute of limitations.	0.20	87.50
M. A. Kornfeld	02/28/21	B110	A104	Review, analyze claims and investor, service provider chart, analysis, back up for certain claimants, process, questions, analysis, documentation for discussions with J. Maglich.	3.50	1,531.25
M. A. Kornfeld	02/28/21	B110	A104	Review, analyze Mr. Williams discovery propounded upon the SEC, and four motions to compel, related exhibits.	1.70	743.75
M. A. Kornfeld	02/28/21	B110	A104	Review, analyze, requests for production, emails to J. Maglich regarding production, coding of same.	0.50	218.75
M. A. Kornfeld	02/28/21	B110	A104	Review, analyze, emails, motion for ISX, emails with J. Maglich regarding Werbin, meet and confer.	0.40	175.00
M. A. Kornfeld	02/28/21	B110	A104	Review, analyze proposed order regarding modifying asset freeze.	0.20	87.50
T. A. Pellegrine	02/28/21	B110	A101	Preparation of documents for production.	2.50	487.50

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M. A. Kornfeld	03/01/21	B110	A104	Analyze, review investor and claimant files, work product for meeting with J. Maglich regarding cash in cash out methodologies, calculations, claims determinations motion, processes, dividends or distributions, repayments to Lendacy loans, interest, defaults, equitable considerations.	3.00	1,312.50
M. A. Kornfeld	03/01/21	B110	A104	Review, analyze emails, documents, productions to be made in response to SEC requests.	1.00	437.50
J. D. Maglich	03/01/21	B310	A104	Review analysis from Yip and Associates and meet with Receiver regarding current claims issues and preliminary determinations.	2.00	590.00
J. D. Maglich	03/01/21	B110	A104	Review Mr. Williams' motions to compel production, and confer with Receiver regarding same.	1.00	295.00
T. A. Pellegrine	03/01/21	B110	A101	Preparation of documents for production.	2.40	468.00
M. A. Kornfeld	03/02/21	B110	A104	Review, further analyze cash in cash out analysis, analyze impact of accruing interest on loans in default, treatment of "dividend" income based on work product analysis by Yip.	2.40	1,050.00
M. A. Kornfeld	03/02/21	B110	A104	Emails, analysis, confer with J. Maglich, T. Pellegrine, regarding written responses, objections and production to SEC, work product documents, confirming no waiver of any legal privileges.	0.60	262.50
M. A. Kornfeld	03/02/21	B110	A104	Review, analyze Mr. Williams' discovery motions, SEC motion to quash and related documents/exhibits, confer with J. Maglich regarding Receiver's position as to all.	0.50	218.75
J. D. Maglich	03/02/21	B110	A103	Revise and finalize Receiver's Responses and Objections to SEC's First Request for Production, review and finalize document production, and prepare for service.	2.80	826.00

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/02/21	B110	A104	Review, analyze SEC's amended interrogatory responses and motions to stay and for protective order.	0.60	177.00
T. A. Pellegrine	03/02/21	B110	A101	Assist in production of documents to the SEC; Prepared Sharefile for transmission of production to Mr. Jacobson, counsel for Mr. Williams; Reviewed correspondence from Ms. Moot and prepared SEC Accellion share file for production transmittal.	1.90	370.50
L. Humphries	03/03/21	B120	A104	Review and analysis of ISX software documents in preparation for discussions with valuation experts and person with knowledge of potential asset.	0.50	135.00
M. A. Kornfeld	03/04/21	B110	A104	Review, analyze, emails, calls to J. Maglich regarding sale of building, overbidding process, sale of apartment process, payment of professionals, retention of professionals relating to software codes, response to discovery requests, American Express usage and repayments, securing assets and art work and potentially other items of value, list of potential investors, measures to have existing tenants exit apartment, marketing of apartment for sale, Sayre, Bishop discussions, tax filings for receivership entities.	2.50	1,093.75
M. A. Kornfeld	03/04/21	B110	A104	Review, analyze documents, work product analysis, approaches, emails/confer with J. Maglich regarding claims determinations, treatment of dividends paid, repayments of Lendacy loans, accrued interest, third party liabilities, demands to those non claimants in default, Mr Willams and SEC disputes over discovery, claims by the Fogarties, Cypress, Werbin.	2.00	875.00
J. D. Maglich	03/04/21	B120	A108	Confer with Ben Rivera regarding appraisal status for Villa Gabriella and next steps.	0.20	59.00



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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
L. Humphries	03/04/21	B120	A104	Review and analysis of correspondence and documents related to ISK in preparation for meetings with potential valuation experts.	0.50	135.00
M. A. Kornfeld	03/05/21	B110	A105	Calls, emails, analysis of work product with J. Maglich regarding dividends, income, distributions, equitable claims determinations, clawbacks, timing.	2.00	875.00
L. Humphries	03/05/21	B120	A104	Placed calls to, analyzed various potential experts regarding valuation of ISX software asset.	0.30	81.00
M. A. Kornfeld	03/08/21	B110	A105	Emails confer with J. Maglich regarding motion papers, review analyze same in advance of court hearing on discovery motions.	0.50	218.75
M. A. Kornfeld	03/08/21	B210	A104	Tend to banking, wire transfer amendments and payment of retained professionals per courts order. (NO CHARGE)	0.20	N/C
J. D. Maglich	03/08/21	B110	A109	Review Williams' Response to SEC's Motion for Protective Order and participate in hearing on same.	1.70	501.50
J. D. Maglich	03/08/21	B110	A109	Review Fee Application Order and process payments to professionals. (NO CHARGE)	0.40	N/C
L. Humphries	03/08/21	B120	A109	Attendance at phone conference with Richard Krueger regarding involvement with ISX software asset and Kinetic.	1.00	270.00
M. A. Kornfeld	03/09/21	B310	A104	Review claims determinations Binder and individual analysis of nearly three dozen claims.	2.00	875.00
L. Humphries	03/09/21	B120	A104	Review and analysis of Order regarding Judge Flynn and related correspondence. (NO CHARGE)	0.20	N/C
M. A. Kornfeld	03/11/21	B110	A104	Review, analyze, core documents relating to Lendacy lending activity, prior depositions of Locke, Putahl in connection with claims, Mr. Williams defense of same.	2.20	962.50
M. A. Kornfeld	03/11/21	B110	A105	Emails, confer with J. Maglich regarding current motions.	0.30	131.25

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/11/21	B110	A108	Correspondence with Ben Rivera regarding appraisal status and Court's Order directing Williams to respond to Banco Espanol sale motion.	0.40	118.00
J. D. Maglich	03/11/21	B110	A104	Review, analyze SEC supplemental disclosures and briefing on motion for excess pages.	0.20	59.00
L. Humphries	03/11/21	B120	A103	Preparation of summary findings regarding interviews with various FINTECH experts on valuation of ISX software and source code.	0.80	216.00
L. Humphries	03/11/21	B120	A104	Preparation of various correspondence with counsel regarding ISX software research and information from potential valuation experts; Receipt and review of correspondence regarding same.	0.30	81.00
M. A. Kornfeld	03/12/21	B120	A104	Review, analyze, confer with J. Maglich regarding Mr. Williams "objections" to proposed sale of building.	0.50	218.75
M. A. Kornfeld	03/12/21	B310	A104	Review, analyze, confer with J. Maglich regarding Cross Motions for summary judgment, accompanying exhibits, documentary support.	0.50	218.75
M. A. Kornfeld	03/12/21	B310	A104	Review, analyze claims determinations working matrices.	0.50	218.75
M. A. Kornfeld	03/12/21	B120	A104	Emails, confer with J. Maglich regarding appraisals, sale of apartment.	0.20	87.50
J. D. Maglich	03/12/21	B110	A104	Review, analyze documents produced by Holland & Knight and participate in telephone conference with Charles Wachter regarding remaining outstanding production.	0.50	147.50
J. D. Maglich	03/12/21	B120	A104	Exchange correspondence with appraisal professional regarding expected delivery of appraisal.	0.20	59.00
L. Humphries	03/12/21	B120	A103	Preparation of correspondence regarding storage of Kinetics physical items.	0.20	54.00

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	03/15/21	B110	A104	Review, analyze summary judgment filings, Receiver position/impact on proof of claims determination process, objections, distributions, need for reserves, approach to disputed claims, Mr. Williams claims, overall planning/timing.	1.50	656.25
J. D. Maglich	03/15/21	B110	A104	Review, analyze documents produced by SEC.	0.80	236.00
J. D. Maglich	03/15/21	B120	A104	Confer with L. Humphries and review notes from call with potential professional for ISX.	0.60	177.00
J. D. Maglich	03/15/21	B110	A104	Review, analyze updated analysis work product from Yip & Associates.	0.50	147.50
L. Humphries	03/15/21	B120	A104	Assessed proof of claim information related to investors and documents in file in preparation for lengthy meeting with Receiver on status of asset recovery and claims	2.50	675.00
L. Humphries	03/15/21	B120	A103	Preparation of email correspondence regarding summary of communications with experts on ISX software.	0.30	81.00
M. A. Kornfeld	03/16/21	B110	A104	Prepare for, analysis of claims, supporting work product, for calls, meeting with J. Maglich regarding ultimate distributions, dividends, used to repay Lendacy loans, transfer between Kinetic and Mr. Williams controlled entities, redemptions, loan delinquencies, equities, methodologies, forms, omnibus motion to be filed, outline of procedures for claimants' objections.	3.20	1,400.00
M. A. Kornfeld	03/16/21	B120	A108	Emails regarding apartment building sale, broker, appraisers, marketing.	0.30	131.25
J. D. Maglich	03/16/21	B310	A104	Review updated claimant analysis from Yip, analyze status of outstanding Lendacy loans for investors that submitted Proof of Claim, and confer with Receiver regarding same.	2.50	737.50

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/16/21	B120	A103	Revise motion to approve retention of Marshall Swatt, exchange correspondence with Marshall Swatt, and exchange correspondence with SEC and Williams regarding position on motion.	0.80	236.00
L. Humphries	03/16/21	B120	A103	Review and analysis of Motion to Retain Marshall Swatt prior to filing.	0.20	54.00
M. A. Kornfeld	03/17/21	B110	A104	Review files, Lendacy, forms relating to distribution plans, interest component, outline issues, equities for determinations, objections procedures, for 3/18 meeting with J. Maglich.	2.20	962.50
M. A. Kornfeld	03/17/21	B120	A105	Emails, confer with J. Maglich regarding appraisals of apartment, next steps, marketing same, emails with Mr. Williams' counsel regarding objections to motion to sell building, issues relating to same, inquiries from additional bidders.	0.50	218.75
M. A. Kornfeld	03/17/21	B120	A105	Emails, confer with, review motion to retain professional regarding ISX, confer with J. Maglich regarding Mr. Williams queries relating to same.	0.40	175.00
J. D. Maglich	03/17/21	B120	A107	Telephone call and correspondence with Mr. Williams' counsel regarding ISX motion and Banco Espanol motion.	0.40	118.00
J. D. Maglich	03/17/21	B120	A107	Exchange correspondence with Villa Gabriella appraiser and Ben Rivera regarding status.	0.40	118.00
M. A. Kornfeld	03/18/21	B310	A104	Prepare for, analysis, and long meeting with J. Maglich, L. Humphries on individual claims determinations process, procedure, guiding principles, timing and overall case administration for over three dozen claimants.	3.80	1,662.50
J. D. Maglich	03/18/21	B310	A104	Analyze claims status and analysis from accountants and meet with Receiver and L. Humphries regarding claims determination and status of asset recovery efforts	3.80	1,121.00

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/18/21	B120	A103	Revise and finalize Motion to Retain Professional to Analyze ISX and prepare for filing.	0.60	177.00
J. D. Maglich	03/18/21	B120	A104	Review third appraisal for Villa Gabriella and confer with Ben Rivera regarding same.	0.40	118.00
J. D. Maglich	03/18/21	B120	A104	Review Mr. Williams' Response to Motion for Approval of El Banco Espanol sale.	0.20	59.00
L. Humphries	03/18/21	B120	A109	Meeting with Receiver regarding analysis, individual determinations as to proof of claims, investor submissions when different from Receiver's assessment, and follow up on Receiver; specific task-list to further recover additional potential assets.	3.80	1,026.00

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	03/19/21	B110	A104	Review, analyze memos, work product, documents, analysis and draft lengthy memo to J. Maglich, L. Humphries regarding next steps as to the following: strategy and follow up call with Yip and Associates, review and analysis of Lendacy and investors statements, preparation of demand letters for loans in default as asset of receivership entities to be collected, assessments and determination of accrued interest through current date, date of appointment, February 2020, preparation of formal communications to claimants responding to filed proofs of claims, reconciliations of differences to proof of claims, determinations and analysis as to submissions seeking marketshare of "appreciation," preparation of omnibus motion for Court's consideration, timing of proposed distributions, ongoing litigation between the SEC and Mr Williams, assessment and determination and treatment of dividends to repay Lendacy debts via direct, inter-entity transfers, "cash in" as to Lendacy loan repayments and cash out as to defaulting interest, assessment and reconciliations as to over three dozen Claims.	3.00	1,312.50

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	03/19/21	B110	A104	Emails analysis and discussions and memo with J. Maglich relating to service providers, service of subpoenas, additional potential sources of asset recovery, marketing and sale of storage items, preservation of artwork and other potential items of value, marketing the apartment and parking spaces for sale, treatment and approach to non-claimants and net winners, the valuation of the ISX source code, approach to overbidding process for the old San Juan building where sale motion pending and objection withdrawn, monitoring and monetizing the kinetics investment in zephyr, transfers by Mr. Williams to friends and family, insolvency issues, preparation of next interim report.	2.00	875.00
M. A. Kornfeld	03/19/21	B210	A104	Preparation review and filing of tax forms for all entities.	0.30	131.25
M. A. Kornfeld	03/19/21	B210	A104	Review approve ad for sale of storage items and emails with J. Maglich as to same.	0.20	87.50
J. D. Maglich	03/19/21	B310	A104	Analyze and prepare updated claims status and strategize regarding issuance of updated, finalized Exhibit "A" to certain claimants	2.50	737.50
J. D. Maglich	03/19/21	B120	A104	Telephone and email correspondence with Ben Rivera regarding Banco Espanol status and Villa Gabriella listing strategy.	0.70	206.50
J. D. Maglich	03/19/21	B120	A104	Direct process for disposition and sale of office assets.	0.30	88.50
M. A. Kornfeld	03/22/21	B120	A108	Emails, calls, analysis, follow up regarding Lendacy loans, claims determinations, demand letters, motion to approve procedures for determinations, distributions.	2.00	875.00
M. A. Kornfeld	03/22/21	B110	A108	Emails, tend to sale of apartments, follow-up with J. Maglich regarding same.	0.50	218.75

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/22/21	B310	A108	Telephone call with Hal Levenberg and Nicole Escudero (Yip) regarding claims analysis and review.	0.50	147.50
L. Humphries	03/22/21	B120	A104	Receipt and review of correspondence regarding evaluation of potential asset transfer to affiliates of Mr. Williams.	0.20	54.00
M. A. Kornfeld	03/23/21	B110	A104	Review, analyze Werbin, Sorchinsky, EHS claims, Lendacy delinquencies, timing, related memos, documents and other work product.	1.50	656.25
M. A. Kornfeld	03/23/21	B110	A104	Review emails with J. Maglich regarding claimants who submitted proofs of claims after the noticed bar date, how to treat said claimants in the omnibus motion to the court seeking approval on determinations, equities, and overall substantive position.	0.50	218.75
J. D. Maglich	03/23/21	B310	A104	Review Proof of Claim from PPM and confer with Receiver regarding same.	0.30	88.50
M. A. Kornfeld	03/24/21	B120	A104	Review, analyze correspondence, marketing, prior communications regarding overbidding processes continued, purchaser interest.	1.00	437.50
M. A. Kornfeld	03/24/21	B120	A105	Emails, confer with J. Maglich regarding court orders on ISX valuation expert, order of sale of Old San Juan building	0.50	218.75
M. A. Kornfeld	03/25/21	B110	A105	Emails, direct J. Maglich, broker regarding Court's order of sale, next step, communications, publication disclosures regarding sale of old San Juan building, organizing over bidding processes to ensure fairness, transparency, maximizing value to the estate.	1.00	437.50
M. A. Kornfeld	03/25/21	B110	A105	Ongoing review of claims analysis and processes.	0.50	218.75
M. A. Kornfeld	03/25/21	B210	A105	Emails, communicate with J. Maglich regarding retained professional vendors, invoicing, payments.	0.20	87.50



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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/25/21	B310	A104	Review Court's Order approving sale of Banco Espanol, exchange correspondence with Receiver and Ben Rivera, and coordinate publication in Sarasota Herald Tribune and El Nuevo Dia.	1.30	383.50
J. D. Maglich	03/25/21	B110	A104	Coordinate and process payment of Court-approved fees to K.Tek and IRW Law Office. (NO CHARGE)	0.40	N/C
M. A. Kornfeld	03/26/21	B110	A104	Review, analyze individual claims determinations revised data.	1.20	525.00
M. A. Kornfeld	03/26/21	B120	A108	Emails, direct, authorize letter communication to Mr. Williams regarding sale of apartment, tenants, review, analyze turnover motion, next steps, brokerage agreement, marketing.	1.00	437.50
M. A. Kornfeld	03/26/21	B120	A108	Review, analyze, authorize, publication of the Court Order of Sale to trigger commencement of over bidding procedure.	0.50	218.75
M. A. Kornfeld	03/26/21	B110	A104	Review, analyze, confer with J. Maglich motion for judgment in pleadings opposition.	0.40	175.00
J. D. Maglich	03/26/21	B120	A108	Telephone and email correspondence with Ben Rivera regarding marketing and sale of Villa Gabriella units and confer with Receiver regarding same.	1.00	295.00
J. D. Maglich	03/26/21	B310	A106	Confer with Receiver regarding initial claims observations and draft correspondence to Hal Levenberg summarizing same.	1.00	295.00
J. D. Maglich	03/26/21	B120	A108	Confer with Receiver and draft correspondence to Williams' counsel regarding status of Villa Gabriella unit.	0.40	118.00
J. D. Maglich	03/26/21	B120	A108	Confer with El Nuevo Dia and coordinate publication of notice of sale of Banco Espanol building with Receiver.	0.40	118.00
J. D. Maglich	03/26/21	B110	A104	Review, analyze SEC's Opposition to Williams' Motion for judgment on pleadings.	0.40	118.00

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
J. D. Maglich	03/26/21	B120	A104	Review Order on retention of Marshall Swatt and draft correspondence to Marshall Swatt regarding timeline.	0.20	59.00
J. D. Maglich	03/26/21	B310	A107	Exchange correspondence with counsel for CFSE regarding Proof of Claim.	0.20	59.00
L. Humphries	03/26/21	B120	A103	Preparation of review of Lendacy information in preparation for correspondence to borrowers on debts.	0.80	216.00
L. Humphries	03/26/21	B120	A104	Preparation of work on tasks outlined by Receiver regarding asset valuation and letter to claimants.	0.60	162.00
M. A. Kornfeld	03/29/21	B110	A108	Emails analysis, follow up with J. Maglich, L. Humphries regarding last Lendacy statements, January-March 6 2020 Lendacy payment activities and delinquencies, demand letters to non claimant borrowers in default, claims submitted after the bar date, cash in analysis for certain claimants based on books and records versus submitted proofs of claims, third party subpoenas, ongoing asset investigatory activity, memo on additional assets for possible recovery, ISX valuation.	1.80	787.50
M. A. Kornfeld	03/29/21	B110	A108	Calls with Yip, J. Maglich regarding claims determinations, accrued interest, equities, debts owed by claimants to receivership entities, Lendacy statements, claims calculations, work product relating to same.	0.60	262.50
M. A. Kornfeld	03/29/21	B120	A105	Calls, emails, analysis throughout day with J. Maglich regarding listing apartment for sale, current access.	0.40	175.00
M. A. Kornfeld	03/29/21	B120	A105	Emails, calls with J. Maglich regarding publication of Courts Order for sale of Old San Juan building and overbidding process.	0.40	175.00
J. D. Maglich	03/29/21	B310	A107	Telephone call with Hal Levenberg, Nicole Escudero, and Receiver regarding claims determination status and next steps.	0.60	177.00

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
L. Humphries	03/29/21	B120	A104	Review and analysis of Receiver's information regarding asset valuation and update on outstanding correspondence to Lendacy borrowers.	0.20	54.00
M. A. Kornfeld	03/30/21	B110	A105	Calls, emails with J. Maglich, Yip regarding interest accruing calculations, Lendacy loan documents.	1.50	656.25
M. A. Kornfeld	03/30/21	B110	A105	Exchange emails regarding overbidding, publication, procedures, timing.	0.40	175.00
M. A. Kornfeld	03/30/21	B110	A105	Exchange emails regarding customer proof of claim reconciliations.	0.20	87.50
J. D. Maglich	03/30/21	B120	A104	Review status of publication of Sale Notice for Banco Espanol building and coordinate posting on website.	0.60	177.00
J. D. Maglich	03/30/21	B310	A108	Exchange correspondence with Nicole Escudero regarding claims analysis and calculation of January 2020 and February 2020 Lendacy interest.	0.40	118.00
J. D. Maglich	03/30/21	B120	A105	Confer with L. Humphries regarding demand letters for outstanding Lendacy loans.	0.40	118.00
J. D. Maglich	03/30/21	B110	A105	Confer with Receiver regarding status of outstanding items.	0.40	118.00
J. D. Maglich	03/30/21	B310	A107	Telephone call and email with counsel for CFSE regarding amended proof of claim.	0.40	118.00
J. D. Maglich	03/30/21	B310	A108	Exchange correspondence with A.H. regarding status of claims process.	0.20	59.00
L. Humphries	03/30/21	B120	A109	Attendance at phone conference with J. Maglich regarding demand letters, investigation, and ISX valuation.	0.40	108.00
M. A. Kornfeld	03/31/21	B110	A104	Analysis of calculations of Lendacy loans still outstanding through February 2020.	0.70	306.25
M. A. Kornfeld	03/31/21	B110	A104	Review emails, correspondence regarding proof of claims, submissions by Werbin, Sochinsky, EHS, Handin.	0.50	218.75
M. A. Kornfeld	03/31/21	B120	A105	Emails, confer with J. Maglich regarding sale of apartment.	0.40	175.00
M. A. Kornfeld	03/31/21	B110	A104	Review, analyze Mr. Williams deposition transcript.	0.30	131.25

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Timekeeper	Date	Task	Activity Code	Narrative	Hours	Amount
M. A. Kornfeld	03/31/21	B210	A104	Attend to invoices, payments, authorization for same. (NO CHARGE)	0.20	N/C
J. D. Maglich	03/31/21	B120	A104	Review status of publication of Sale Notice for Banco Espanol building and confer with Receiver and Ben Rivera regarding status	0.40	118.00
J. D. Maglich	03/31/21	B120	A104	Direct and oversee publication of asset sale notice for office supplies.	0.30	88.50
L. Humphries	03/31/21	B120	A104	Preparation of initial demand letters regarding Lendacy loans	0.50	135.00
L. Humphries	03/31/21	B120	A104	Receipt and review of correspondence from ISX retained expert Marshall Swatt; Preparation of correspondence regarding ISX to same.	0.20	54.00
Total Hours					428.60	
Total Fees						\$146,784.75

**DESCRIPTION OF COSTS**

Description	Amount
02/23/21 Miscellaneous Mark A. Kornfeld Storage Fees for Receivership	453.74
03/26/21 Miscellaneous Mark A. Kornfeld Kinetics - Notice of Sale publication lost	115.50
Total Costs	\$569.24

<b>Amount Due This Invoice:</b>	<b>\$147,353.99</b>
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TRUIST Place  
401 E. Jackson Street, Suite 2400  
Tampa, FL 33602-5236

T 813 222 8180  
F 813 222 8189  
www.bipc.com

**REMITTANCE STATEMENT**

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

April 14, 2021  
Invoice No. 12080468

Our Reference: 0103373-000001  
Client Name: MARK KORNFELD, RECEIVER  
Invoice Date: April 14, 2021  
Invoice Number: 12080468  
Total Due This Invoice: \$147,353.99

<b>Total Due All Invoices For this Matter:</b>	<b>\$147,353.99</b>
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**PLEASE RETURN THIS REMITTANCE STATEMENT WITH YOUR PAYMENT  
THANK YOU**

Make checks payable to: Buchanan Ingersoll & Rooney  
Union Trust Building  
Attn: Accounting Department  
501 Grant Street – Suite 200  
Pittsburgh, PA 15219-4413  
Tax ID: 25-1381032

Wire / ACH Information  
PNC Bank, N.A.  
Buchanan Ingersoll & Rooney Operating Account  
Account #: 1133081072  
Routing#: 043000096  
SWIFT CODE: PNCCUS33

Please Reference 0103373-000001 Invoice: 12080468

Amount remitted this payment: \$ \_\_\_\_\_

**RECENT FEES AND DISBURSEMENTS MAY NOT  
YET BE ENTERED ON YOUR ACCOUNT AND  
IF NOT, WILL BE SUBSEQUENTLY BILLED**

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

## EXHIBIT “6b”



FORENSIC ACCOUNTING +  
FINANCIAL INVESTIGATIONS

### INVOICE DETAIL

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

Invoice Number: 30581  
Date: April 7, 2021  
Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered January 1, 2021 through March 31, 2021.

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
01/08/2021	HAL	Conference call with J. Maglich re: claims analysis and case update.	1.0	\$ 295	\$ 295.00	-	\$ -	\$ 295.00
01/27/2021	HAL	Retrieved bank records and supporting documents related to the purchase of the Banco Espanol building at the request of J. Maglich (.9); prepared diagram for the purchase of the Banco Espanol building (1.2).	2.1	\$ 295	\$ 619.50	-	\$ -	\$ 619.50
01/28/2021	HAL	Reviewed list of potential claimants provided by Receiver's counsel.	1.7	\$ 295	\$ 501.50	-	\$ -	\$ 501.50
01/29/2021	HAL	Discussion with SIC re: Analysis of AMEX records (.5 - No Charge); updated exhibits for motion to sell Banco Popular per request from Receiver's counsel (1.7).	2.2	\$ 295	\$ 649.00	0.5	\$ (147.50)	\$ 501.50
01/29/2021	NED	Prepared updated list of potential claimants (.7); reviewed and inventoried BMO production received 01/28/2021 (.9); reviewed investor analysis for W. Call and S. Kadotani and prepared response to J. Maglich (1.3).	2.9	\$ 245	\$ 710.50	-	\$ -	\$ 710.50
01/29/2021	SIC	Discussion with HAL re: analysis of AMEX records (.5 - No Charge).	0.5	\$ 245	\$ 122.50	0.5	\$ (122.50)	\$ -
02/01/2021	SIC	Analyzed American Express credit cards held in the name of M. Williams (2.3); KCL Services (3.1); Kinetic Group (2.8).	8.2	\$ 245	\$ 2,009.00	-	\$ -	\$ 2,009.00
02/02/2021	HAL	Conference call with J. Maglich re: AMEX analysis.	0.5	\$ 295	\$ 147.50	-	\$ -	\$ 147.50
02/03/2021	HAL	Discussion with NED re: work to be done (.2 - No Charge).	0.2	\$ 295	\$ 59.00	0.2	\$ (59.00)	\$ -
02/03/2021	NED	Discussion with HAL re: work to be done (.2 - No Charge); reconciled payments to American Express credit cards to master database (2.6); analyzed American Express x4002 held in the name of M. Williams for the period of 02/15/2012 through 01/12/2018 (2.8).	5.6	\$ 245	\$ 1,372.00	0.2	\$ (49.00)	\$ 1,323.00

Invoice Number: 30581

Matter ID: 291.0001



Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
02/04/2021	NED	Analyzed American Express x4002 held in the name of M. Williams for the period of 01/13/2018 through 03/12/2020 (1.9); discussion with PT re: analyses of BMO Harris x3801 and x1439 (.5 - No Charge); performed quality control on master database of bank accounts (4.9).	7.3	\$ 245	\$ 1,788.50	0.5	\$ (122.50)	\$ 1,666.00
02/04/2021	PT	Analyzed BMO Harris Bank account ending 3801 held in the name of Kinetic Securities Trading LLC for the period of 11/12/2013 through 12/21/2016 (3.4); discussion with NED re: analysis of Kinetic Securities Trading bank accounts (.5 - No Charge).	3.9	\$ 195	\$ 760.50	0.5	\$ (97.50)	\$ 663.00
02/05/2021	HAL	Multiple conference calls with NED re: AMEX analysis and request from J. Maglich re: prepared calculations for Motion for the Courts approval of a pre-suit settlement process for potential third party claims (.9 - No Charge); reviewed and updated American Express analysis (.8); researched calculations requested by J. Maglich (1.1).	2.8	\$ 295	\$ 826.00	0.9	\$ (265.50)	\$ 560.50
02/05/2021	NED	Prepared master summary schedules as requested by J. Maglich (4.4); prepared summary schedules by entity (1.8); email communication with counsel (.2); assisted Counsel with motion for pre-suit settlement (.6); multiple conference calls with HAL re: AMEX analysis and request from J. Maglich re: prepared calculations for Motion for the Courts approval of a pre-suit settlement process for potential third party claims (.9 - No Charge).	7.9	\$ 245	\$ 1,935.50	0.9	\$ (220.50)	\$ 1,715.00
02/08/2021	HAL	Discussion with NED to review calculations for Motion requested by J. Maglich (.9 - No Charge); analyzed calculations for Motion requested by J. Maglich (.8); finalized memo of calculations for motion for pre-suit settlement (1.7).	3.4	\$ 295	\$ 1,003.00	0.9	\$ (265.50)	\$ 737.50
02/08/2021	NED	Assisted counsel with preparation of motion for pre-suit settlement (4.3); discussion with HAL to review calculations for Motion requested by J. Maglich (.9 - No Charge).	5.2	\$ 245	\$ 1,274.00	0.9	\$ (220.50)	\$ 1,053.50
02/09/2021	HAL	Conference call with NED and J. Maglich to review calculations needed for motion.	0.7	\$ 295	\$ 206.50	-	\$ -	\$ 206.50
02/09/2021	NED	Reviewed and updated analysis of Kinetic Securities Trading BMO Harris account ending x3801 (1.2); conference call with HAL and J. Maglich re: motion and calculations needed (.7).	1.9	\$ 245	\$ 465.50	-	\$ -	\$ 465.50
02/11/2021	HAL	Retrieved and uploaded requested bank records, wire transfer advices, and cancelled checks to Sharefile at the request of J. Maglich (1.1); discussion with NED re: case status and work to be done (.2 - No Charge).	1.3	\$ 295	\$ 383.50	0.2	\$ (59.00)	\$ 324.50



Invoice Number: 30581

Matter ID: 291.0001

FORENSIC ACCOUNTING +  
FINANCIAL INVESTIGATIONS

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
02/11/2021	NED	Discussion with HAL re: case status and work to be done (.2 - No Charge).	0.2	\$ 245	\$ 49.00	0.2	\$ (49.00)	\$ -
02/12/2021	HAL	Researched claim inquiry for Corbett (.8); discussion with NED re: same (.4 - No Charge).	1.2	\$ 295	\$ 354.00	0.4	\$ (118.00)	\$ 236.00
02/12/2021	NED	Reviewed January 2016 transfers to Corbett and prepared response to J. Maglich (.5); discussion with HAL re: same (.4 - No Charge).	0.9	\$ 245	\$ 220.50	0.4	\$ (98.00)	\$ 122.50
02/16/2021	NED	Continued to review and update analysis of Kinetic Securities Trading BMO Harris account ending x3801 (1.3); analyzed M. Williams BMO Harris account ending x1439 (2.1); updated master database and performed quality control on master database (1.8); prepared Lendacy loan balance summary schedules (2.1).	7.3	\$ 245	\$ 1,788.50	-	\$ -	\$ 1,788.50
02/17/2021	HAL	Researched claim for CFSE and investment history in bank and Kinetic records.	1.2	\$ 295	\$ 354.00	-	\$ -	\$ 354.00
02/17/2021	NED	Continued to prepare Lendacy loan balance summary schedule.	3.8	\$ 245	\$ 931.00	-	\$ -	\$ 931.00
02/19/2021	HAL	Uploaded cancelled checks, wire transfer advices and relevant bank statements to Sharefile per the request of J. Maglich (.6); reviewed Lendacy account balances schedule prepared by NED (.7).	1.3	\$ 295	\$ 383.50	-	\$ -	\$ 383.50
02/22/2021	HAL	Continued to review schedule of Lendacy balances prepared by NED (.7); discussion with NED re: same (.1 - No Charge).	0.8	\$ 295	\$ 236.00	0.1	\$ (29.50)	\$ 206.50
02/22/2021	NED	Discussion with HAL (.1 - No Charge); continued to prepare Lendacy loan balance summary schedule (6.8).	6.9	\$ 245	\$ 1,690.50	0.1	\$ (24.50)	\$ 1,666.00
02/23/2021	HAL	Discussion with NED re: review of loan balance summary prior to call with J. Maglich (.3 - No Charge); prepared for upcoming call (1.6); conference call with J. Maglich and NED re: status update, claims analysis, and Lendacy schedule needed (.9).	2.8	\$ 295	\$ 826.00	0.3	\$ (88.50)	\$ 737.50
02/23/2021	NED	Continued to prepare Lendacy loan balance summary schedule (2.3); discussion with HAL re: same (.3 - No Charge); analyzed Lendacy loans for C. Aiken, M. Jones, K. Locke, K. Pufahl, M. Sayre, Scipio LLC and M. Williams (4.7); conference call with HAL and J. Maglich re: claims analyses and schedules needed (.9).	8.2	\$ 245	\$ 2,009.00	0.3	\$ (73.50)	\$ 1,935.50
02/24/2021	HAL	Retrieved records pursuant to SEC request for production (4.3); conference call with J. Maglich re: same (.5); reviewed claim inquiry from Receiver for Werbin (4).	5.2	\$ 295	\$ 1,534.00	-	\$ -	\$ 1,534.00



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Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
02/24/2021	NED	Continued to prepare Lendacy loan balance summary schedule and updated for October 2019 - December 2019 activity (4.2); reviewed and responded to J. Maglich inquiries (1.9); prepared updated individual investor schedule as well as updated list of potential claimants (2.6).	8.7	\$ 245	\$ 2,131.50	-	\$ -	\$ 2,131.50
02/25/2021	HAL	Retrieved support for all transfers to Global Screen (1.3); retrieved support for all transfers to FinLink per request from the SEC (1.4).	2.7	\$ 295	\$ 796.50	-	\$ -	\$ 796.50
02/25/2021	NED	Continued to prepare updated individual investor schedules (4.3); updated list of potential claimants per discussion with counsel (2.9).	7.2	\$ 245	\$ 1,764.00	-	\$ -	\$ 1,764.00
02/26/2021	HAL	Conference call with J. Maglich and NED re: Lendacy analysis and S. Kadotani claim.	0.6	\$ 295	\$ 177.00	-	\$ -	\$ 177.00
02/26/2021	NED	Continued to prepare updated individual investor schedules and list of potential claimants (6.1); conference call with J. Maglich and HAL re: analyses and S. Kadotani claim (.6); reviewed proof of claims and reconciled to investor analyses (.7).	7.4	\$ 245	\$ 1,813.00	-	\$ -	\$ 1,813.00
03/01/2021	HAL	Reviewed Net Investment Amount Compared to Proof of Claim Schedule prepared by NED (.3); reviewed list of potential claimants schedule prepared by NED (.4); reviewed Summary of Investment and Loan Activity Schedule prepared by NED (.2); reviewed Lendacy loan balance as of December 31, 2019 schedule prepared by NED (.3); reviewed Lendacy loan balance through February 2020 prepared by NED (.3); conference call with NED re: review of schedules (.3 - No Charge).	1.8	\$ 295	\$ 531.00	0.3	\$ (88.50)	\$ 442.50
03/01/2021	NED	Reviewed transactions for J. Symmes investment and loan activity (.6); continued to review proof of claims and reconcile to investor analyses (2.9); prepared schedules (.4); email communication with J. Maglich (.4); conference call with HAL re: review of schedules (.3 - No Charge).	4.6	\$ 245	\$ 1,127.00	0.3	\$ (73.50)	\$ 1,053.50
03/02/2021	NED	Prepared updated master summary of sources and uses for all funds (4.2); reviewed and updated individual investor analyses for: ACAA, AEELA, Ball, Call, D. Casey, CFSE, Corbett, Cypress Guarantor, Jonnie Dwyer, Ehret, A. Ferre, FMB, A. Haddow, PR Community Foundation, Plan de Pensiones, Sacred Heart University, M. Silva, T. Berardelli (3.3).	7.5	\$ 245	\$ 1,837.50	-	\$ -	\$ 1,837.50
03/03/2021	NED	Reviewed and updated investor analyses for: L. Casey, A. Diaz, R. Eaves, J. Fogarty, Fogarty Trust, B. Foster, S. Kadotani, F. Lang, G. Wiecek and M. Wiecek.	4.9	\$ 245	\$ 1,200.50	-	\$ -	\$ 1,200.50



FORENSIC ACCOUNTING +  
FINANCIAL INVESTIGATIONS

Invoice Number: 30581

Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount	Hours Not Charged	Discounts	Net Amount
03/08/2021	NED	Updated individual investor analyses for: S. Kadotani; P. Reynolds, M. Sinski; EHS Sorochinsky; SPMT; J. Symmes; and L. Werbin (3.4); performed quality control on investor analysis schedules (.5).	3.9	\$ 245	\$ 955.50	-	\$ -	\$ 955.50
03/09/2021	HAL	Reviewed and updated investor analysis prepared by NED.	0.4	\$ 295	\$ 118.00	-	\$ -	\$ 118.00
03/09/2021	NED	Reviewed investor analyses with HAL (.4); finalized individual investor analyses and prepared final schedules (2.8).	3.2	\$ 245	\$ 784.00	-	\$ -	\$ 784.00
03/22/2021	HAL	Conference call with J. Maglich and NED re: analyses needed.	0.3	\$ 295	\$ 88.50	-	\$ -	\$ 88.50
03/22/2021	NED	Conference call with HAL and J. Maglich.	0.3	\$ 245	\$ 73.50	-	\$ -	\$ 73.50
03/26/2021	HAL	Reviewed summary email of key issues prepared by Receiver for upcoming call (.6); reviewed corresponding schedules in preparation for upcoming call (.9).	1.5	\$ 295	\$ 442.50	-	\$ -	\$ 442.50
03/29/2021	HAL	Conference call with NED re: review of comments on claims analysis from Receiver re: review of claim analysis for Call, Kadotani and Fogarty Trust (.2 - No Charge); conference call with Receiver, J. Maglich and NED re: schedules needed for claims analysis (.8).	1.0	\$ 295	\$ 295.00	0.2	\$ (59.00)	\$ 236.00
03/29/2021	NED	Reviewed request from J. Maglich re: proof of claims (.3); reviewed and updated summary analyses (2.1); reviewed interest and prepared summary schedule of additional accrued interest for 15 investors with loan balances as of 12/31/2019 (1.6); discussion with HAL re: same (.2 - No Charge); prepared for conference call (.3); conference call with M. Kornfeld, J. Maglich and HAL re: claims analysis (.8); prepared table of loan payments made January 2020 and February 2020 and email communication with J. Maglich (.6); organized files (.7 - No Charge).	6.6	\$ 245	\$ 1,617.00	0.9	\$ (220.50)	\$ 1,396.50
<b>Less Adjustment for No Charges</b>						<b>9.7</b>	<b>\$ (2,551.50)</b>	
<b>Total Fees</b>			<b>161.7</b>		<b>\$ 41,256.50</b>		<b>\$ (2,551.50)</b>	<b>\$ 38,705.00</b>
<b>Total Amount Due</b>					<b>\$ 38,705.00</b>			



Invoice Number: 30581  
Matter ID: 291.0001

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

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

**Or, via wire transfer to:**

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

IBERIABANK Credit Account Information  
IB Customer Name: **YIPCPA, LLC d/b/a YIP ASSOCIATES**  
IB Account Number: **4400000149**  
Amount of Wire: **\$38,705.00**

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

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

## EXHIBIT “6c”



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
01/01/2021	01/31/2021	88800	<b>\$875.00</b>	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
4	01/05/2021		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	01/05/2021		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

Payments Applied	

SUBTOTAL **\$875.00**

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:



# Invoice for Services

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
02/01/2021	02/28/2021	89559	<b>\$875.00</b>	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
4	02/05/2021		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	02/05/2021		E-Hounds Review® Platform (incl 2 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

Payments Applied	

SUBTOTAL **\$875.00**

TOTAL **\$875.00**

**Balance Due \$875.00**

Retainer Amount Remaining **\$0.00**

Please note: Our fees are subject to change annually. Last change: 1/2/2021

## Statement of Limited Liability and Financial Responsibility

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

E-Hounds also accepts:

All funds payable to:



**E-Hounds, Inc.**

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

www.ehounds.com (727) 726-8985

## Invoice for Services

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
03/01/2021	03/31/2021	90307	<b>\$875.00</b>	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
4	03/05/2021		E-Hounds Review® Platform Add'l Users (per user) Courtesy Rate		\$95.00	\$380.00
1	03/05/2021		E-Hounds Review® Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

Payments Applied	

SUBTOTAL **\$875.00**

TOTAL **\$875.00**

**Balance Due \$875.00**

Retainer Amount Remaining **\$0.00**

**Please note: Our fees are subject to change annually. Last change: 1/2/2021**

### 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:    



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

## EXHIBIT “6d”



**PDR CPAs + Advisors  
 Total Hours and Dollars by Timekeeper  
 January 1, 2021 through January 31, 2021**

<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	0	\$ -
TLH	Tracy Hess	Manager	\$ 225.00	0	\$ -
GAH	Gail Heinold	Manager	\$ 155.00	2.75	\$ 426.25
MLJ	Megan Justice	Staff	\$ 125.00	4.25	\$ 531.25
SAO	Sharon O'Brien	Staff	\$ 125.00	0.20	\$ 25.00
<b>Total Billed for January 2021</b>				<b>7.20</b>	<b>\$ 982.50</b>



**PDR CPAs + Advisors**  
**Total Hours and Dollars by Timekeeper**  
**February 1, 2021 through February 28, 2021**

<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
TLH	Tracy Hess	Manager	\$ 225.00	0.00	\$ -
GAH	Gail Heinold	Manager	\$ 155.00	0.00	\$ -
MLJ	Megan Justice	Staff	\$ 125.00	0.00	\$ -
SAO	Sharon O'Brien	Staff	\$ 125.00	0.00	\$ -
<b>Total Billed for February 2021</b>				<b>1.75</b>	<b>\$ 560.00</b>



**PDR CPAs + Advisors  
Total Hours and Dollars by Timekeeper  
March 1, 2021 through March 31, 2021**

<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	3.75	\$ 1,200.00
TLH	Tracy Hess	Manager	\$ 210.00	1.00	\$ 210.00
GAH	Gail Heinold	Manager	\$ 155.00	0.00	\$ -
MLJ	Megan Justice	Staff	\$ 125.00	0.00	\$ -
SAO	Sharon O'Brien	Staff	\$ 125.00	0.35	\$ 43.75
<b>Total Billed for March 2021</b>				<b>5.10</b>	<b>\$ 1,453.75</b>

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

## EXHIBIT “6e”

# INVOICE

PMB 721  
 1353 Ave. Luis Vigoreaux  
 Guaynabo, PR 00966  
 USA

irwlawoffice@me.com  
 O: 7877750624

Number	201904223
Issue Date	4/5/2021
Due Date	4/20/2021
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 1/11/2021 152 Tetuan Street Purchase and Sale - Perform search within the CRIM digital system to verify if documents submitted during the visit on the 17th were changed and duly registered. CRIM digital system reflected the change of ownership and proceeded to obtain the requested certifications of debts.	\$200.00	1.50	\$300.00
2020 Senior Attorney ZI 2/1/2021 152 Tetuan Street Purchase and Sale - Receive information from Ben regarding status of the loan for Buyer. Draft and send email to client requesting to file the motion for approval of sale from the court. Receive email reply from Jordan. Communicate with Ben to let Buyer know of the status of the motion.	\$200.00	0.50	\$100.00
2020 Senior Attorney ZI 2/15/2021 152 Tetuan Street Purchase and Sale - Receive email from Jordan with an update on the motion from the court to approve the sale and follow up with Ben regarding any updates from Buyer.	\$200.00	0.25	\$50.00
2020 Paralegal DR 3/2/2021 Conversation with Property Registrar to consult the Joint stipulation agreed between the parties to transfer the title and possession of the properties on behalf of the Receiver. RE: San Juan I Property Register	\$150.00	0.25	\$37.50
2020 Senior Attorney ZI 3/22/2021 Call with paralegal Dayali Romero and the United States District Court of Puerto Rico. RE: Query of the joint stipulation agreed between the parties to transfer title and possession of the properties on behalf of the Receiver (our client) and to verify the process.	\$200.00	0.50	\$100.00
	<b>Time Entries Total</b>	<b>3.00</b>	<b>\$587.50</b>

Total (USD)	\$587.50
Paid	\$0.00
Balance	\$587.50

## Terms & Conditions

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 <a href="mailto:rosaymar@irwlaw.com">rosaymar@irwlaw.com</a> , should you encounter any difficulties.

Thank you!

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

## 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-MSS-SPF

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 FIFTH INTERIM OMNIBUS  
APPLICATION FOR ALLOWANCE AND PAYMENT OF  
PROFESSIONALS' FEES AND REIMBURSEMENT OF EXPENSES  
FOR JANUARY 1, 2021 – MARCH 31, 2021

THIS CAUSE came before the Court on the Receiver's (the "Receiver") Fifth Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for January 1, 2021 through March 31, 2021 (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 Buchanan Ingersoll	\$147,353.99
Yip & Associates	\$38,705.00
E-Hounds	\$2,625.00
PDR CPAs + Advisors	\$2,996.25
IRW Law Offices	\$587.50

**DONE and ORDERED** this \_\_\_\_ day of \_\_\_\_\_, 2021 in the  
Middle District of Florida.

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**UNITED STATES DISTRICT COURT  
JUDGE**