

**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.

**RECEIVER'S EIGHTH INTERIM OMNIBUS APPLICATION FOR
ALLOWANCE AND PAYMENT OF PROFESSIONALS' FEES
AND REIMBURSEMENT OF EXPENSES FOR
OCTOBER 1, 2021 – DECEMBER 31, 2021¹**

Mark A. Kornfeld, Esq., in his capacity as the court-appointed Receiver (the “Receiver”) for Defendant, Kinetic Investment Group, LLC, and Relief Defendants, Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC (collectively, the “Receivership Defendants”), moves this Court for the entry of an order awarding fees and reimbursement of costs to the Receiver and his

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

professionals whose retention has been approved by the Court. *See* Docs. 41-43, 47, 154, 207. This motion covers all fees and costs incurred from October 1, 2021, through December 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 \$36,985.00 to the professionals engaged by the Receiver for fees incurred and reimbursement of \$1,757.40 in expenses for a total payment of \$38,742.40. This Application includes time billed for the three-month period from October 1, 2021 through December 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 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 no less than three companies in Puerto Rico. The Receiver has also faced challenges in carrying

out his duties given the current COVID-19 pandemic. Despite these challenges, the Receiver and his retained professionals have worked expeditiously and efficiently to provide valuable services and secure investor assets, have billed at significantly reduced rates, and are entitled to reasonable payment of the fees and reimbursement of their expenses.

For the time covered by this Motion,² the Receiver and his Retained Professionals have performed extensive and valuable services on behalf of the Receivership estate which include, but are not limited to, the following:

1. Obtained Court Approval Of Receiver's Motion To Make First Interim Distribution To Investor Claimants With Approved Claims And Oversaw Preparation And Mailing Of Checks

- In accordance with the claims process approved by the Court, the Receiver and his professionals reviewed submitted proof of claim forms, obtained Court approval of the Receiver's determinations of those claims, oversaw an objection procedure, and ultimately requested approval to make a first interim distribution to claimants with approved claims (the "Distribution Motion") (Doc. 263). The Court granted the Receiver's Distribution Motion on October 29, 2021, and the Receiver subsequently mailed out distribution checks to 30 Investor Claimants totaling \$13.2 million on November 9, 2021. As of February 9, 2022, 29 of the checks have been cashed.

2. Reviewed Potential Third-Party Claims, Sent Demand Letters To Third-Parties, And Obtained Resolutions

- The Receiver has identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. After the Court granted his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims, the Receiver and his professionals continued evaluating those potential claims pursuant to the procedures approved by the Court. In May 2021, the Receiver and his professionals sent out seven demand letters to various individuals seeking the return of funds the Receiver believes are rightfully owing to the Receivership Entities. For several

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

of those claims, the Receiver has reached an agreement to recover the full amount sought. For other claims, the Receiver is continuing to pursue a beneficial outcome which could include filing litigation against those third-parties.

3. Continued Efforts To Prepare Villa Gabriela Property For Sale

- The Receiver and Defendant Williams previously entered into an agreement regarding the Villa Gabriela property in San Juan, Puerto Rico, as a resolution of the Receiver's Motion for Turnover (Doc. 72). As required by the pertinent federal statute, the Receiver obtained three appraisals from disinterested real estate professionals in order to list the property for sale. In late May, Defendant Williams' counsel communicated to the Receiver that Mr. Williams opposed any sale of the Villa Gabriela property before the case was scheduled for trial in September 2021. The Receiver was also informed that Defendant Williams' girlfriend and other family members had at one point been residing in the penthouse unit of the property. The Receiver has worked with his Puerto Rico local counsel to take steps to transfer title of the Villa Gabriela property to the Receiver as provided in the agreement between the Receiver and Mr. Williams, and title has been successfully transferred to the Receiver. The Receiver subsequently took possession of the Villa Gabriela property, has been in contact with the Council of Owners of Villa Gabriela to address pending deficiencies, and is working with his real estate broker to list the property for sale. Once the property is listed for sale, the Receiver will post details to the Receiver's website, 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.

4. The Seventh Interim Report

- The Receiver prepared and filed his Seventh Interim Report on November 1, 2021 (Doc. 265), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

5. 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.

6. Attended To Litigation Matters

- The Receiver continues to monitor the Court's docket given that the Commission's claims against Mr. Williams remain pending.

7. Continued Investor Outreach and Website Updates

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

The above activities are discussed in more detail in the Receiver's Eighth Interim Report which was filed on January 31, 2022 (Doc. 269) (the "Eighth Report"), as well as the Receiver's previously-filed Interim Reports which are available on the Receiver's website at www.kineticreceivership.com. The Receiver incorporates the Eighth Report into this Application and attaches a true and correct copy of the Eighth Report as **Exhibit 2** for the Court's convenience.

II. Background

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

over \$6 million of investor funds was misappropriated to fund other business ventures and pay for other unauthorized expenses. Doc. 1.³

According to the Complaint, the scheme involved securities offerings made on behalf of Relief Defendant Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Defendants Kinetic Investment Group, LLC (“Kinetic Investment”) and Williams. Defendants represented to investors that the largest sub-fund, Kinetic Funds Yield (“KFYield”), invested all of its assets in income-producing 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.

³ 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. On July 21, 2021, the Court granted the Commission's request to postpone the trial pending resolution of the pending case-dispositive motions (Doc. 257).

III. Professional Services

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

- (a) **Time period covered by the Application:** October 1, 2021 – December 31, 2021.
- (b) **Date of Receiver’s appointment:** March 6, 2020.
- (c) **Date services commenced:** February 14, 2020.⁴
- (d) **Names and rates of all professionals:** See Exs. 5-6.
- (e) **Interim or Final Application:** Interim.
- (f) **Records supporting fee application:** See below.

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

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

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 \$6,847,159.62,⁵ which accounts for the First Interim Distribution which was approved by the Court on October 29, 2021, and subsequently resulted in checks totaling \$13,216,050.91 being mailed in early November 2021 to Investor Claimants with approved claims.

(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

⁵ This balance includes approximately \$249,038.43 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.

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 (i) continuing his investigation of the underlying business operations of the various Receivership Entities, (ii) enhancing and preserving the value of Receivership assets, including exploring potential third party claims and serving demand letters on third parties and also continuing the process of preparing for the sale of the Villa Gabriela real estate in Puerto Rico, (iii) investigating potential avenues to recover additional assets, and (iv) continuing to implement a Court-approved claims process that included making a First Interim Distribution to Investor Claimants. 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 Court-approved claims process to return investor funds. 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.

On June 18, 2021, the Receiver filed his Claims Approval Motion in which he requested the Court's approval of his determinations of the approval and priority of the submitted claims as well as a plan for distribution. The Court entered an Order granting the Claims Approval Motion on July 21, 2021 (Doc. 256). After the passage of time to implement the Objection Procedure, the Receiver filed his Unopposed Motion to Approve First Interim Distribution (the "Distribution Motion") on September 3, 2021 in which he requested Court approval to make an initial interim distribution to eligible Investor Claimants consisting of 40% of each Investor Claimant's approved claim. Doc. 263. On October 29, 2021, the Court entered an Order granting the Distribution Motion, and the Receiver mailed out the approved distribution checks within the 10-day period following the Court's Order.

The Receiver will also continue to evaluate an appropriate time to seek Court approval for any additional distribution(s). 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 Eighth 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(a)** 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 30.30 hours expended on this Receivership and seeks compensation for professional services in the amount of \$13,256.25 and costs in the amount of \$0.00. The statement summarizing the services rendered by the Receiver is attached as **Exhibit 6(a)**.

During the period covered by this Application, Buchanan Ingersoll spent 52.00 hours assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, but only seeks compensation for 48.20 of those hours. Buchanan Ingersoll seeks compensation for professional services in the amount of \$13,696.50 and costs in the amount of \$218.11. 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 October 1, 2021, through December 31, 2021, the Receiver requests that the Court award the Receiver and Buchanan Ingersoll fees for professional services rendered and costs incurred from October 1, 2021, through December 31, 2021, in the amounts of \$26,952.75 and \$218.11, respectively, for a total of \$27,170.86.

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, and to distribute assets to Investor Claimants with approved claims. 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 efficiently formulate a Court-approved claims process that ultimately resulted in the Receiver's mail-out of over 100 proof of claim packets to potential claimants and creditors, the review and determination for each of the submitted claims, and the preparation of the checks mailed out in the Court-approved First Interim Distribution.

During the period covered by this Application, Yip & Associates billed 4.30 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver and seeks professional fees in the sum of \$1,108.50. 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 from October 1, 2021, through December 31, 2021, in the amount of \$1,108.50.

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

The Receiver obtained Court approval to retain the services of E-Hounds, Inc. ("E-Hounds") to assist with managing and facilitating access to data imaged from electronic devices and hardware belonging to the Receivership Entities. As set forth in the Receiver's Motion to Retain Information Technology Professionals) (the "IT Motion") (Doc. 38), E- Hounds principal Adam Sharp has extensive experience in this field and also with assisting court-appointed receivers including in matters

brought by the SEC. As an accommodation to the Receiver, E-Hounds agreed not to charge an up-front retainer and provided preferred hourly rates ranging from \$195 to \$250 for customary forensic imaging tasks.⁶ 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 on a flat-fee structure 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 maintaining 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 \$1,485.00. 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 October 1, 2021, through December 31, 2021, in the amount of \$1,485.00.

(d) Services Provided By PDR CPAs + Advisors.

⁶ 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.

The Receiver obtained Court approval to retain the services of PDR CPAs + Advisors (“PDR”) to handle tax-related issues for the Receivership Entities. (Doc. 47.) This includes the preparation of any required tax-related documents as well as analyzing previous tax documents to assist the Receiver in performing his duties. PDR’s principal, Bill Price, routinely provides tax and accounting services in receivership matters. During the period covered by this Application, PDR billed 33.70 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, which included the continued efforts to terminate a retirement plan previously administered by Kinetic Investment Group, and seeks professional fees in the sum of \$6,165.54 as set forth in the invoices attached as **Exhibit 6(d)**. The Receiver requests that the Court award PDR fees for professional services rendered and costs incurred from October 1, 2021, through December 31, 2021, in the amounts of \$6,111.25 and \$54.29, respectively.

(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”) based in Puerto Rico 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 handling various tasks associated with the Villa Gabriela property, including the ongoing process of addressing and correcting title issues and

also completing the transfer of title of the property from Mr. Williams to the Receiver. During this period, IRW seeks compensation for 14.25 hours expended on this matter and billed the Receiver for professional services rendered in the amount of \$2,812.50 and expenses of \$0.00 as set forth in the invoices attached as **Exhibit 6(e)**. The Receiver requests that the Court award IRW fees for professional services rendered from October 1, 2021, through December 31, 2021, in the amount of \$2,812.50.

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	\$27,170.86
Yip & Associates	\$1,108.50
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$6,165.54
IRW Law Offices	\$2,812.50

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

By: /s/ Jordan D. Maglich
Jordan D. Maglich, Esq. (FBN 0086106)
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CERTIFICATE OF SERVICE

I hereby certify that on February 9, 2022, 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.
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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 October 1, 2021 to December 31, 2021 and from inception March 6, 2020 to December 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
January 07, 2021

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 10/01/2021 to 12/31/2021

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2021):			\$ 20,055,297.05
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	7,975.95		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	6,000.00		
Line 8	Miscellaneous - Other			
	Total Funds Available (Line 1 - 8):		13,975.95	20,069,273.00
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Claimants	13,216,050.91		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	90,101.85		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	8,829.36		
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		13,314,982.12	13,314,982.12
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment			
	System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			13,314,982.12
Line 13	Ending Balance (As of 12/31/2021)			6,754,290.88

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period 10/01/2021 to 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,754,290.88
Line 14a	Cash & Cash Equivalents			6,754,290.88
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,754,290.88
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

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

Receiver: _____
 By: _____
 Title _____
 Date _____

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period From Inception 03/06/2020 to 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
Increases in Fund Balance:				
Line 2	Business Income			
\\\\\\\\\\\\\\\\\\\\	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	120,333.20		
Line 5	Business Asset Liquidation	4,025,500.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,482,645.95		
Line 8	Miscellaneous - Other	223,877.75		
Total Funds Available (Line 1 - 8):			21,505,269.12	21,505,269.12
Decreases in Fund Balance:				
Line 9	Disbursements to Claimants	13,216,050.91		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	1,392,706.33		
Line 10b	Business Asset Expenses	34,131.18		
Line 10c	Personal Asset Expenses	52,976.46		
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			
Total Disbursements for Receivership Operations			14,750,978.24	14,750,978.24
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
Total Disbursements for Distribution Expenses Paid by the Fund				
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
Total Disbursements to Court/Other:				
Total Funds Disbursed (Lines 9 - 11)				14,750,978.24

Line 13	Ending Balance (As of 12/31/2021)		6,754,290.88
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**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 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,754,290.88
Line 14a	Cash & Cash Equivalents			6,754,290.88
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,754,290.88
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

Receiver:
By: _____
Title _____
Date _____

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 EIGHTH 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 Eighth Interim Report (the “Eighth Report”) covering information and activity occurring from October 1, 2021 to December 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, 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 Eighth Report (October 1, 2021 to December 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. **Obtained Court Approval Of Receiver’s Motion To Make First Interim Distribution To Investor Claimants With Approved Claims And Oversaw Preparation And Mailing Of Checks**

- In accordance with the claims process approved by the Court, the Receiver and his professionals reviewed submitted proof of claim forms, obtained Court approval of the Receiver’s determinations of those claims, oversaw an objection procedure, and ultimately requested approval to make a first interim distribution to claimants with approved claims (the “Distribution Motion”) (Doc. 263). The Court granted the Receiver’s Distribution Motion on October 29, 2021 (Doc. 264), and the Receiver subsequently mailed out distribution checks to Investor Claimants with approved claims totaling \$13,216,050.91 on November 9, 2021. As of January 31, 2022, all but one of the checks have been cashed.

2. **Reviewed Potential Third-Party Claims, Sent Demand Letters To Third-Parties, And Obtained Resolutions**

- The Receiver has identified various potential claims with respect to third-parties that may have received improper transfers consisting of investor assets. After the Court granted his Unopposed Motion to Approve Procedure to Pursue Potential Third Party Claims, the Receiver and his professionals continued evaluating those potential claims pursuant to the procedures approved by the Court. In May 2021, the Receiver and his professionals sent out seven demand letters to various individuals seeking the return of funds the Receiver believes are rightfully owing to the Receivership Entities. For several of those claims, the Receiver has reached an agreement to recover the full amount sought. For other claims,

the Receiver is continuing to pursue a beneficial outcome which could include filing litigation against those third-parties.

3. Continued Efforts To Prepare 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, as a resolution of the Receiver's Motion for Turnover (Doc. 72). As required by the pertinent federal statute, the Receiver obtained three appraisals from disinterested real estate professionals in order to list the property for sale. In late May, Defendant Williams' counsel communicated to the Receiver that Mr. Williams opposed any sale of the Villa Gabriella property before the case was scheduled for trial in September 2021. The Receiver was also informed that Defendant Williams' girlfriend and other family members had at one point been residing in the penthouse unit of the property. The Receiver has worked with his Puerto Rico local counsel to take steps to transfer title of the Villa Gabriella property to the Receiver as provided in the agreement between the Receiver and Mr. Williams, and title has been successfully transferred to the Receiver. The Receiver subsequently took possession of the Villa Gabriella property, has been in contact with the Council of Owners of Villa Gabriella to address pending deficiencies, and is working with his real estate broker to list the property for sale. Once the property is listed for sale, the Receiver will post details to the Receiver's website, 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.

4. The Seventh Interim Report

- The Receiver prepared and filed his Seventh Interim Report on November 1, 2021 (Doc. 265), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

5. 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.

6. Attended To Litigation Matters

- The Receiver continues to monitor the Court's docket given that the Commission's claims against Mr. Williams remain pending.

7. Continued Investor Outreach and Website Updates

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

In summary, as of the date of this Report, the Receiver has (i) secured, frozen, marshaled, and liquidated assets for the benefit of victim that resulted in the deposit of **approximately \$20 million**¹ in the Receiver's fiduciary bank accounts during the Receiver's appointment; (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) made an initial distribution of **\$13.2 million** to Investor Claimants with approved

¹ This amount includes approximately \$251,928.02 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.

claims, which amount constitutes 40% of each Investor Claimant's approved claim.

The nearly \$20 million recovered for the benefit of victims 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 from** 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;
- May 11, 2021: Received approximately **\$4.0 million** in net sales proceeds from the sale of the property located at 152 Tetuan Street, San Jan, Puerto Rico 00901; and
- Through June 30, 2021, the Receiver and his retained legal, accounting, tax, and technology professionals have been paid approximately **\$1,205,000** in fees and expenses for their services.

The Receiver has updated his website and filed a notice with the Court regarding his closing of the sale of the El Banco Espanol building. Regarding the other parcel of real estate, the luxury apartments located in Old San Juan, Puerto Rico, the

Receiver anticipates that the future sale of that parcel will result in the additional deposit of a low seven-figure sum in the Receiver's fiduciary accounts.

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 Eighth 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 Defendant 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 Defendant Williams mediated this case on August 28, 2020, which resulted in an impasse (Doc. 132). Both the Commission and Defendant Williams have filed pending dispositive motions seeking judgment in their favor. Docs. 200-202. On July 21, 2021, the Court granted the Commission’s request to postpone the trial pending resolution of the pending case-dispositive motions. Doc. 257.

B. The Receiver’s Role and Responsibilities

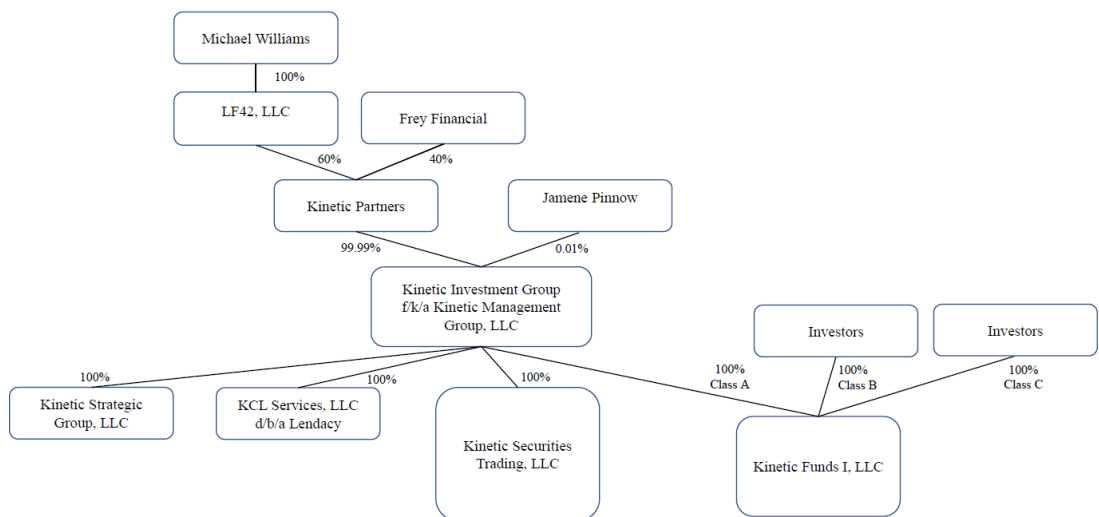
As an independent agent of the Court, the Receiver’s powers and responsibilities are set forth in the Order Appointing Receiver which provides, in relevant part, that the Receiver:

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

- Shall “take custody, control, and possession of all Receivership Property and records relevant thereto from the Receivership Defendants...” and “manage, control, operate and maintain the Receivership Estates and hold in his possession, custody and control all Receivership Property pending further Order of this Court.” *Id.* ¶ 7(B);
- Is “authorized, empowered, and directed to investigate the manner in which the financial and business affairs of the Receivership Defendants were conducted and...to institute such actions and legal proceedings...as the Receiver deems necessary and appropriate...” *Id.* ¶ 37; and
- Is directed to “develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property...and to “file and serve a full report and accounting of each Receivership Estate” for each calendar quarter. *Id.* ¶¶ 46, 48.

C. Receivership Defendants

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



Source: Tax Returns

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

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

III. 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 2019.²

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:

² 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%.

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

Beginning in June 2014, Kinetic Funds moved its brokerage accounts for KFYield and other sub-accounts to Interactive Brokers.⁴ According to Interactive Brokers’ Portfolio Analyst tool, the KFYield trading account’s performance (and change in net asset value) from 2015 (the first full year at Interactive Brokers) to 2019 was:

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

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

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

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

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, Defendant 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	264,376.52	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
Total	6,510,940.57	107,869,693.13	-103,126,312.66	4,734,380.58	-1,776,559.99
Time Weighted Rate of Return					-27.62%

According to this statement, KFYield had a Net Asset Value (“NAV”) of \$6,510,940.57 as of December 31, 2016, and that NAV declined to \$4,734,380.58 as of December 31, 2017 - an annual change of -\$1,776,559.99 or -27.62% of the account’s NAV. As of December 31, 2017, the account holdings consisted of over

\$104 million in stock positions, -\$10.8 million in net options positions, and a cash balance of nearly -\$89 million.⁵

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.

⁵ 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.

Despite having open equity positions with a value of more than \$100 million as of December 29, 2017, the account statement shows that the vast majority of these holdings were purchased using margin and that the 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 Defendant 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.⁶ This theoretically is the amount of funds that were being held and managed on behalf of KFYield investors, and accordingly is the amount that would need to be returned in the event that all investors elected to redeem their investments.

However, it appears that Kinetic Funds had approximately half of the amount represented to KFYield investors readily accessible and available for withdrawal as of December 31, 2017. As of December 31, 2017, Kinetic Funds' bank account at BMO Harris (which held investor deposits) had a balance of approximately \$9.8 million, and KFYield's sub-account at Interactive Brokers had a value of approximately \$4.73 million. Thus, Kinetic Funds had approximately \$14.5 million of available cash or securities assets 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 Brokers⁷). 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

⁶ This figure also appears to differ from the Bloomberg report showing total KFYield assets of nearly \$32 million as of December 29, 2017.

⁷ 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.

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

B. 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 Defendant 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.⁸ 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

⁸ 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).

- 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, Defendant Williams deposited approximately \$2.9 million with the Receivership Entities which 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.

C. 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.⁹ 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 in transfers to El Morro Financial during the period of March 2017 to December 2019. *See* First Report pp. 47-53.¹⁰ The Receiver continues to investigate these discrepancies.

D. 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

⁹ 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.

¹⁰ 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.

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 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**.

E. Significant Losses From Association With VTrader Pro, LLC

At the March 6, 2020 hearing, Defendant 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 2013.¹¹ 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 Defendant 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.

¹¹ See <https://brokercheck.finra.org/firm/summary/131920>.

At some point in 2011, VTrader suffered heavy losses and needed a capital infusion to remain viable. To this end, Defendant 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.¹² A K-1 was also generated showing a \$1 million loss for Kinetic Partners, LLC.

Between mid-2012 through the end of 2012, it appears KST moved its accounts out of VTrader and over to Bank of America/Merrill Lynch. The Receiver's investigation into these events has been hampered by the passage of nearly ten years from these events and the unavailability of sufficient documentation, but it appears that investor funds were adversely affected.

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

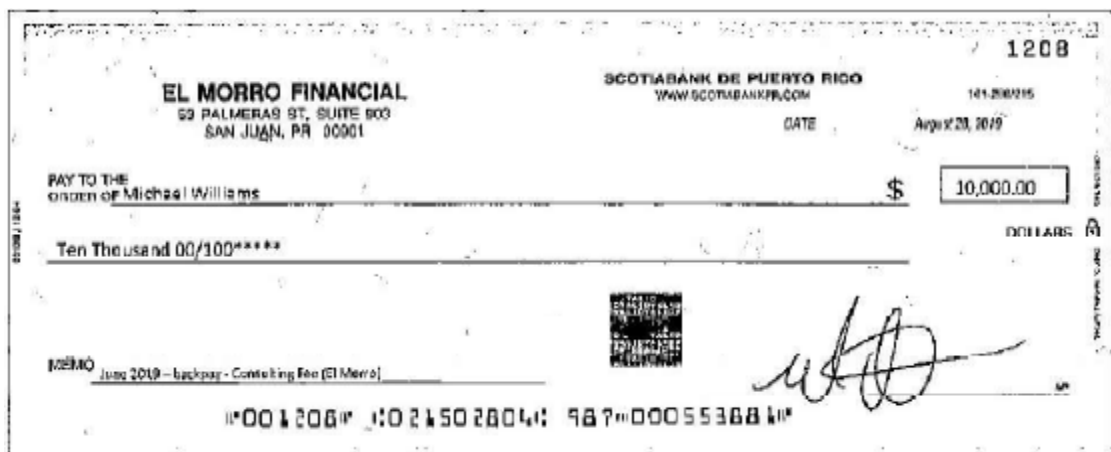
The Receiver's review of the financial transactions among the various Receivership Entities has allowed him to trace millions of dollars in investor funds that were transferred to or for the benefit of Defendant Williams and without any

¹² 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.

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, Defendant Williams also rented out one of the units to a tenant for which he received monthly rental income not turned over to Kinetic Funds (Doc. 60 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 (Doc. 60 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 (Doc. 60 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 Defendant Williams from mid-2017 to mid-2019. Several \$10,000 checks were also written payable to (and signed by) Defendant 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, Defendant Williams’ entity, including an agreement in September 2019 - after Defendant Williams was on notice of the Commission’s investigation - signed by Defendant 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 Defendant Williams’ benefit (See First Report p. 47);
- The sale of Defendant 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 Defendant Williams (See First Report p. 47); and
- Arranging for who the Receiver understands to be Defendant 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).

IV. 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 Receiver’s Motion To Make First Interim Distribution To Investor Claimants With Approved Claims And Oversaw Preparation And Mailing Of Checks

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.

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, approximately \$35 million in claims were submitted by investors and non-investors, which included a claim submitted by Defendant Williams for approximately \$1.4 million.

The Receiver worked with his legal and forensic Retained Professionals to review each of these claims and, where necessary, engage in further dialogue with the submitting potential claimant about any identified issues or discrepancies. On June 18, 2021, the Receiver filed his Unopposed Motion to Approve Determination and Priority of Claims; (ii) Pool Receivership Assets and Liabilities; (iii) Establish Objection Procedure; and (iv) Approve Plan of Distribution (the “Claims Approval Motion”) (Doc. 249). The Court entered an Order granting the Claims Approval Motion, and that Order has been posted on the Receiver’s website.

The Receiver subsequently oversaw an Objection Procedure and subsequently filed his Unopposed Motion to Approve First Interim Distribution (Doc. 263) on September 3, 2021 seeking approval to make an initial distribution of 40% of each Investor Claimant's approved claim. The Court granted the Distribution Motion on October 29, 2021, and the Receiver mailed out distribution checks pursuant to that Order on or around November 9, 2021. As of the date of this Interim Report, only one of those distribution checks remains uncashed.

As the case progresses and the Receiver's liquidation efforts continue, the Receiver will make a determination as to when a second distribution is warranted.

B. Reviewed Potential Third-Party Claims, Sent Demand Letters To Third-Parties, And Obtained Resolutions

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

The Receiver identified seven entities and individuals who received loan payments from Lendacy or Kinetic entities which were funded using investor

funds. The total of these loans amounted to **\$235,129.92**. To recover these funds for the Estate, the Receiver sent demand letters to each individual or entity in which he agreed to accept repayment of the outstanding loan amount as of the date of the Receiver's appointment in exchange for not pursuing any accrued interest or fees (as well as attorney's fees incurred in that process). All individuals, with the exception of one, have responded to the Receiver's letters and openly communicated regarding the debts. One individual sent the Receiver a check for repayment of their outstanding loan amount. The Receiver is also in the process of working to establish a payment plan with two other individuals who had a total outstanding balance of approximately **\$115,574.06**. The Receiver has also evaluated claims of hardship made by individuals who assert they do not have the financial ability to pay the full outstanding debt. In the event the Receiver is not able to reach an amicable resolution regarding an individual's debt, he intends to consider all alternatives including filing litigation.

C. Continued Efforts To Prepare Villa Gabriella Property For Sale

In addition to the Bank Building, the Commission's Complaint also alleged that Defendant 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.¹³ After the Motion for Turnover was filed, the Receiver was approached by Defendant Williams’ counsel and subsequently entered into an agreement to resolve the Motion for Turnover 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 Defendant Williams resulted in an impasse, the Receiver reached out to local appraisers and obtained three appraisals of Villa Gabriella and the associated parking spots. In late May, Defendant Williams’ counsel communicated to the Receiver that Mr. Williams opposed any sale of the Villa Gabriella property before the case was scheduled for trial in September 2021. The Receiver has also been informed that Defendant Williams’ girlfriend and other family members were residing in the penthouse unit of the property.

¹³ 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 Gabriella property in which Williams (and his girlfriend) were allegedly living.

The Receiver has worked with his Puerto Rico local counsel to take steps to transfer title of the Villa Gabriella property to the Receiver as provided in the agreement between the Receiver and Mr. Williams, and title has been successfully transferred to the Receiver. The Receiver has also been working with his Puerto Rico local counsel to address an outstanding administrative issue from the time the property was initially sold to Mr. Williams. After title was transferred to the Receiver, the Receiver learned from property representatives that there had not been any inhabitants in the penthouse unit (including Defendant Williams' girlfriend or mother) for some time and also that Mr. Williams had been delinquent in paying monthly HOA fees for the penthouse unit to the Council of Owners of Villa Gabriella. The Receiver subsequently took possession of the Villa Gabriella property, has been in contact with the Council of Owners of Villa Gabriella to address the pending deficiencies, and is working with his real estate broker to list the property for sale. Once the property is listed for sale, the Receiver will post details to the Receiver's website, 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.

D. The Seventh Interim Report

The Receiver prepared and filed his Seventh Interim Report on November 1, 2021 (Doc. 265), which provided a comprehensive summary, analysis, and

supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

E. Continued Investigation And Review of Relevant Documentation and Information and Tended to Ongoing Litigation Matters

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. The Receiver has also, as necessary, continued to monitor the Court's docket given that the Commission's claims against Mr. Williams remain pending. The Receiver continues to make monthly transfers to Defendant Williams to pay Court-ordered monthly living expenses (Doc. 95). Both the Commission and Defendant Williams filed their respective motions for summary judgment on March 16, 2021, with Defendant Williams also filing his Motion for Judgment on the Pleadings. Those motions are fully briefed and remain pending. On July 21, 2021, the Court entered an Order granting the Commission's request to postpone any trial date pending resolution of several pending case-dispositive motions. Doc. 251. That Order also denied Mr. Williams' request to modify the asset freeze order. *Id.*

F. Continued Investor Outreach and Administration Of Website

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

G. Receivership Accounting

Receivership funds are currently being held at ServisFirst Bank. The Receiver has attached a standardized fund accounting report showing the total funds on hand and secured as of December 31, 2021 as **Exhibit 1**.¹⁴

V. 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

¹⁴ The report includes the bank account holding funds previously transferred by Williams' former counsel to the Receiver.

transactions between those operations.¹⁵ These investigative efforts remain ongoing through the review of additional documents from (and, where necessary, interviews with) third parties. The Receiver continues to work diligently and efficiently on this task, which includes a substantial amount of documentation and financial records. The Receiver will continue to attempt to locate additional funds and other assets and will likely institute proceedings to recover assets on behalf of the Receivership Defendants. In an effort to more fully understand the conduct at issue and in an attempt to locate more assets, the Receiver will continue to conduct interviews and/or depositions of parties and third parties who may have knowledge of the fraudulent scheme. The Receiver believes that continuation of the Receivership (and employment of the 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, which resulted in a First Interim Distribution being made in November 2021 to Investor Claimants with approved claims. The First Interim Distribution represented the return of 40% of each Investor Claimant's approved claim. Going forward, the Receiver will continue to monitor the Court docket and work with

¹⁵ 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.

his Retained Professionals to determine the appropriate time to request Court approval for any subsequent distribution(s).

C. Liquidation of Assets

The Receiver continues to prioritize the marketing and sale of the Receivership Estate's real property assets. Following his successful liquidation of the Bank Building for net proceeds of **\$4.0 million**, the Receiver worked with his professionals to transfer title of the Villa Gabriella title from Defendant Williams to the Receiver and is now proceeding with marketing and liquidating the property. Once the property is listed for sale, the Receiver will update his website at www.kineticreceivership.com with more information. If and when the Receiver enters into a contract to sell the Villa Gabriella property, he will file a motion seeking Court approval.

The Receiver has now disposed of all of the remaining personal property secured from Kinetic Funds' office in Sarasota, Florida, which has included donations to three local non-profits. As for the ISX software, the Receiver was previously provided with a "Summary & Valuation of ISX Codebase" prepared by Marshall Swatt which, among other things, concluded that the "codebase is largely a preliminary design, for proof of concept or demonstration purposes, rather than suitable for actual use" and estimated that the software has a current market value of approximately \$45,000. The Receiver intends to explore available options to realize any value from the ISX 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 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 those efforts progress. 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 will keep the Court apprised if any such actions are instituted.

Respectfully submitted,
BUCHANAN INGERSOLL & ROONEY PC

By: /s/ Jordan D. Maglich
Jordan D. Maglich, Esq.
Lauren V. Humphries, Esq.
401 E. Jackson St., Suite 2400
Tampa, FL 33602
Telephone: (813) 222-2098

Facsimile: (813) 222-8189
Email: jordan.maglich@bipc.com
Email: lauren.humphries@bipc.com
Attorneys for Receiver Mark A. Kornfeld

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on this 31st day of January, 2022, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Christine Nestor, Esq.
Stephanie N. Moot, Esq.
John T. Houchin, Esq.
Barbara Viniegra, Esq.
Securities and Exchange Commission
801 Brickell Avenue, Suite 1950
Miami, FL 33131
nestorc@sec.gov
moots@sec.gov
houchinj@sec.gov
viniegrab@sec.gov
Counsel for Plaintiff

Timothy W. Schulz, Esq.
Timothy W. Schulz, P.A.
224 Datura Street, Suite 815
West Palm Beach, FL 33401
e-service@twslegal.com

Jon A. Jacobson, Esq.
Jacobson Law, P.A.
224 Datura Street, Suite 812
West Palm Beach, FL 33401
jjacobson@jlpa.com
e-service@jlpa.com
Counsel for Defendant Michael Williams

/s/ Jordan D. Maglich
Attorney

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

EXHIBIT "1"



Oldsmar / Tampa / St. Petersburg

727-785-4447

813-498-1294

727-784-5491 Fax

www.pdr-cpa.com

REPORT OF STANDARDIZED FUND ACCOUNTING REPORT

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

We have compiled the standardized fund accounting report for the period October 1, 2021 to December 31, 2021 and from inception March 6, 2020 to December 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
January 07, 2021

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period 10/01/2021 to 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2021):			\$ 20,055,297.05
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	7,975.95		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	6,000.00		
Line 8	Miscellaneous - Other			
	Total Funds Available (Line 1 - 8):		13,975.95	20,069,273.00
	Decreases in Fund Balance:			
Line 9	Disbursements to Claimants	13,216,050.91		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	90,101.85		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	8,829.36		
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		13,314,982.12	13,314,982.12
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment			
	System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			13,314,982.12
Line 13	Ending Balance (As of 12/31/2021)			6,754,290.88

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period 10/01/2021 to 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,754,290.88
Line 14a	Cash & Cash Equivalents			6,754,290.88
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,754,290.88
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

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

Receiver: _____
 By: _____
 Title _____
 Date _____

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period From Inception 03/06/2020 to 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
Increases in Fund Balance:				
Line 2	Business Income			
\\\\\\\\\\\\\\\\\\\\	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	120,333.20		
Line 5	Business Asset Liquidation	4,025,500.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,482,645.95		
Line 8	Miscellaneous - Other	223,877.75		
Total Funds Available (Line 1 - 8):			21,505,269.12	21,505,269.12
Decreases in Fund Balance:				
Line 9	Disbursements to Claimants	13,216,050.91		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	1,392,706.33		
Line 10b	Business Asset Expenses	34,131.18		
Line 10c	Personal Asset Expenses	52,976.46		
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			
Total Disbursements for Receivership Operations			14,750,978.24	14,750,978.24
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
Total Disbursements for Distribution Expenses Paid by the Fund				
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
Total Disbursements to Court/Other:				
Total Funds Disbursed (Lines 9 - 11)				14,750,978.24

Line 13	Ending Balance (As of 12/31/2021)		6,754,290.88
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**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 12/31/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,754,290.88
Line 14a	Cash & Cash Equivalents			6,754,290.88
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,754,290.88
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

Receiver:
By: _____
Title _____
Date _____

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 9th day of February, 2022.



MARK A. KORNFELD
Receiver

EXHIBIT “4”

TOTAL COMP AND EXPENSES

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

Name	Specialty	Hours	Fees	Expenses	Total	Fees Previously Awarded	Expenses Previously Awarded
Receiver and Quarles & Brady LLC	Attorneys	0.00	\$0.00	\$0.00	\$0.00	\$503,944.23	\$23,177.24
Receiver and Buchanan Ingersoll & Rooney PC	Attorneys	78.00	\$26,952.75	\$218.11	\$27,170.86	\$357,239.50	\$8,847.45
Yip & Associates	Accountants	4.30	\$1,108.50	\$0.00	\$1,108.50	\$261,941.25	\$558.80
E-Hounds, Inc.	Information Technology and Forensic Technology	0.00	\$0.00	\$1,485.00	\$1,485.00	\$40,490.00	\$14,635.00
IRW Law Offices	Attorneys	14.25	\$2,812.50	\$0.00	\$2,812.50	\$8,211.25	\$315.00
PDR CPAs + Advisors	Accountants	33.70	\$6,111.25	\$54.29	\$6,165.54	\$21,503.75	\$543.74
K. Tek Systems	Website	0.00	\$0.00	\$0.00	\$0.00	\$3,990.00	\$0.00
Marshall Swatt		0.00	\$0.00	\$0.00	\$0.00	\$8,475.00	\$0.00
Total		130.75	\$36,985.00	\$1,757.40	\$38,742.40	\$1,205,794.98	\$48,077.23

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

EXHIBIT “5a”

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Total Billed
Mark A. Kornfeld	Litigation	Shareholder	1993	\$ 645.00	\$ 437.50	30.30	\$ 13,256.25
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00	27.30	\$ 8,053.50
Lauren Humphries	Litigation	Associate	2015	\$ 390.00	\$ 270.00	20.90	\$ 5,643.00
Tabitha Pellegrine	Labor & Employment	Paralegal		\$ 280.00	\$ 195.00	0.00	\$ -
Total Fees							\$ 26,952.75
Less: Credit							\$ -
Total Expenses							\$ 218.11
Total						78.50	\$ 27,170.86

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

EXHIBIT “5b”

Name	Title	Year Licensed/ Experience	Standard Rate	Billing Rate	Total Hours	Total Billed
Marcie D. Bour	Partner	30 years	\$ 395.00	\$ 340.00		\$ -
Hal Levenberg	Director	10 years	\$ 395.00	\$ 295.00	1.10	\$ 324.50
Shawna B. Amarnai	Director	10 years	\$ 350.00	\$ 295.00		\$ -
Christopher M. Copley	Manager	12 years	\$ 300.00	\$ 245.00		\$ -
Nicole Escudero Duenas	Associate	6 years	\$ 245.00	\$ 245.00	3.20	\$ 784.00
Peter J. Tiano	Associate		\$195.00	\$ 195.00		\$ -
Santiago I. Carpio	Senior Associate		\$ 245.00	\$ 245.00		\$ -
Total Fees						\$ 1,108.50
Less Discount						\$ -
Total Expenses						\$ -
Total					4.30	\$ 1,108.50

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

EXHIBIT “5c”

Name	Title	Standard Rate	Reduced Rate	Total Hours	Total Billed
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	\$ -
Total Fees					\$ -
Less: Credit					\$ -
Total Expenses					\$ 1,485.00
Total				0	\$ 1,485.00

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

EXHIBIT “5d”

PDR CPAs

Name	Title	Year Licensed/ Experience	Standard Rate	Billing Rate	Total Hours	Total Billed
William E. Price	CPA	45+	\$ 320.00	\$ 320.00	9.75	\$ 3,120.00
Gail Heinold	Accounting Manager	20+	\$ 210.00	\$ 155.00	4.25	\$ 658.75
Sharon O'Brien	Staff Accountant	10+	\$ 150.00	\$ 125.00	0.5	\$ 62.50
Megan Justice	Staff Accountant	4+	\$ 150.00	\$ 125.00		\$ -
Shelly Spencer	Staff Accountant			\$125.00	14.2	\$ 1,775.00
Michael Yanchunis	Staff Accountant			\$125.00	3	\$ 375.00
SGH				\$60.00	2	\$ 120.00
Tracy Hess	Tax Manager	5+	\$ 225.00	\$ 210.00		\$ -
Total Fees						\$ 6,111.25
Less: Credit						0.00
Total Expenses						\$ 54.29
Total					33.7	\$ 6,165.54

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

EXHIBIT “5e”

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Total Billed
Ivonne Rodriguez	Litigation	Attorney	2009	\$ 250.00	\$ 250.00		\$ -
Zwindi Iglesias	Litigation	Attorney	2011	\$ 225.00	\$ 200.00	5.75	\$ 1,150.00
DK		Paralegal		\$ 150.00	\$ 150.00	0.50	\$ 75.00
GD		Attorney		\$ 200.00	\$ 200.00	7.75	\$ 1,550.00
RB		Associate		\$ 150.00	\$ 150.00	0.25	\$ 37.50
DR		Paralegal		\$ 150.00	\$ 150.00		\$ -
Total Fees							\$ 2,812.50
Less: Credit							\$ -
Total Expenses							\$ -
Total						14.25	\$ 2,812.50

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

January 12, 2022
Invoice No. 12137873

INVOICE SUMMARY

For Professional Services Rendered:

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

Fees:	\$26,952.75
Disbursements:	<u>\$218.11</u>

Total Current Invoice:	\$27,170.86
-------------------------------	--------------------



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

January 12, 2022
Invoice No. 12137873

For Professional Services Rendered:

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

SERVICES AND COSTS INCLUDING

Timekeeper	Date	Task	Narrative	Hours	Amount
Claims Administration and Objections					
J. D. Maglich	10/29/2021	B310	Review Court's Order granting motion to approve distribution and confer with Receiver and interested third parties regarding same	0.40	\$118.00
J. D. Maglich	11/2/2021	B310	Extensive correspondence with accounting professionals regarding preparation and assembly of distribution checks to be mailed to claimants. (.5)	0.50	\$147.50
J. D. Maglich	11/4/2021	B310	Prepare and finalize letters to accompany distribution checks and exchange correspondence with Mark Kornfeld regarding status and transmittal. (.7)	0.70	\$206.50
J. D. Maglich	11/5/2021	B310	Oversee and finalize preparation and transmittal of claim check distribution letters	1.00	\$295.00
J. D. Maglich	11/9/2021	B310	Telephone and email correspondence with counsel for G.W. investors regarding reissuance of checks and confer with Receiver and PDR regarding same	0.40	\$118.00
J. D. Maglich	11/10/2021	B310	Confer with PDR regarding issuance of revised claim checks	0.20	\$59.00
J. D. Maglich	11/12/2021	B310	Telephone and email correspondence with L.W. regarding status of claim distribution and confer with Receiver regarding same	0.30	\$88.50

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

Page 2
 January 12, 2022
 Invoice No. 12137873

Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	11/15/2021	B310	Confer with PDR regarding status of reissued checks and coordinate issuance of same	0.30	\$88.50
J. D. Maglich	11/16/2021	B310	Review status of reissuance of claim checks for Claim Nos. 12-14 and revise and finalize correspondence to claimants	0.50	\$147.50
J. D. Maglich	11/17/2021	B310	Exchange correspondence with counsel for claimants with Claim Nos. 12-14 regarding reissuance of distribution checks	0.20	\$59.00
J. D. Maglich	11/23/2021	B310	Review correspondence from D. Miles regarding claim status and confer with Receiver regarding same	0.40	\$118.00
J. D. Maglich	11/29/2021	B310	Review claim history of Claim No. 30 and exchange correspondence with D.M. regarding same	0.80	\$236.00
Subtotal Claims Administration and Objections				5.70	1,681.50
Business Operations					
J. D. Maglich	11/18/21	B210	Correspondence with Bill Price regarding termination of PAI plan and status	0.30	88.50
J. D. Maglich	12/01/21	B210	Confer with B. Price regarding Kinetic Management Group 401k plan termination status	0.20	59.00
Subtotal Business Operations				0.50	147.50
Case Administration					
M. A. Kornfeld	10/1/2021	B110	Emails analysis responses regarding approach to Lendacy borrowers.	0.50	\$218.75
M. A. Kornfeld	10/4/2021	B110	Emails regarding filings.	0.20	\$87.50
J. D. Maglich	10/4/2021	B110	Draft Seventh Interim Fee Application (NO CHARGE)	2.00	\$0.00
M. A. Kornfeld	10/6/2021	B110	Confer with J. Maglich, L. Humphries regarding Lendacy borrowers, strategy.	0.50	\$218.75
J. D. Maglich	10/7/2021	B110	Review invoices for 7th Fee Application (NO CHARGE)	0.50	\$0.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	10/8/2021	B110	Confer with J. Maglich, L. Humphries regarding Lendacy borrowers, claw backs, hardships ISX and Zephyr.	0.50	\$218.75
M. A. Kornfeld	10/11/2021	B110	Confer with J. Maglich regarding claw back claims, review analysis relating to same.	0.50	\$218.75
M. A. Kornfeld	10/12/2021	B110	Review analyze issues relating to potential claw back litigation	1.00	\$437.50
M. A. Kornfeld	10/12/2021	B110	Emails with broker, counsel, J. Maglich throughout day regarding title, interest in apartments, tenants.	0.50	\$218.75
M. A. Kornfeld	10/13/2021	B110	Emails throughout day regarding judicial proceedings and next steps to sell apartments and deal with tenant issues.	0.30	\$131.25
J. D. Maglich	10/15/2021	B110	Telephone call with A.D. regarding Puerto Rico condo	0.30	\$88.50
J. D. Maglich	10/15/2021	B110	Revise, finalize, and gather exhibits for draft Seventh Fee Application and send to Commission (NO CHARGE)	0.80	\$0.00
M. A. Kornfeld	10/18/2021	B110	Review, analyze updates from L. Humphries regarding Lendacy borrowers next steps, negotiations.	0.50	\$218.75
M. A. Kornfeld	10/19/2021	B110	Emails with L. Humphries, J. Maglich regarding settlement with Lendacy lender, approach to claw backs, review status of others borrowers.	1.00	\$437.50
J. D. Maglich	10/19/2021	B110	Exchange correspondence with A.H. regarding case status and pending distribution motion	0.20	\$59.00
J. D. Maglich	10/22/2021	B110	Exchange correspondence with T.K. regarding case status and motion for distribution	0.20	\$59.00
M. A. Kornfeld	10/23/2021	B110	Review, analyze, borrowers Lendacy clawback memo and strategy for 10-25 discussion with L. Humphries.	1.00	\$437.50
J. D. Maglich	10/23/2021	B110	Draft Seventh Interim Report.	1.50	\$442.50
M. A. Kornfeld	10/26/2021	B110	Review emails from counsel, pleadings, orders next steps regarding the apartments to be sold in Puerto Rico subject to turnover	1.00	\$437.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	10/29/2021	B110	Revise and finalize Seventh Fee Application and confer with Receiver regarding same (NO CHARGE)	0.50	\$0.00
M. A. Kornfeld	10/29/2021	B110	Review, analyze emails and pleadings regarding Puerto Rico litigation actions and marketing of apartment buildings.	0.70	\$306.25
M. A. Kornfeld	10/29/2021	B110	Review, analyze issues for inclusion in interim report.	0.50	\$218.75
M. A. Kornfeld	10/29/2021	B110	Review, emails with J. Maglich regarding court order granting Receiver's motion to distribute funds, response to investor inquiries regarding same.	0.40	\$175.00
J. D. Maglich	11/1/2021	B110	Numerous correspondence with accounting professionals regarding process and timetable to issue checks to claimants with approved claims. (.6)	0.60	\$177.00
J. D. Maglich	11/1/2021	B110	Revise and finalize Seventh Interim Report, confer with Mark Kornfeld and Lauren Humphries Carey regarding Interim Report, and prepare for filing. (1.4) Revise Seventh Fee Application, confer with Mark Kornfeld and Lauren Humphries regarding same, and finalize and prepare for filing. (1.2) (NO CHARGE)	1.40	\$413.00
L. Humphries	11/1/2021	B110	Preparation of edits to Receiver's Seventh Interim Report for filing with Court.	0.60	\$162.00
J. D. Maglich	11/3/2021	B110	Numerous correspondence with Receiver and PDR regarding preparation and review of distribution checks, review and revise letter to accompany distribution, and coordinate printing of checks and transmittal to Receiver. (1.5)	1.50	\$442.50
M. A. Kornfeld	11/8/2021	B110	Emails analysis throughout day regarding sale of apartments legal proceedings relating to same.	0.30	\$131.25
M. A. Kornfeld	11/9/2021	B110	Emails with team regarding apartments and distributions and claw backs.	0.30	\$131.25

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/11/2021	B110	Review, analyze Emails throughout day from broker counsel and J. Maglich regarding apartment sales mortgages fees strategies next steps on removing tenants.	0.50	\$218.75
L. Humphries	11/12/2021	B110	Prepared various correspondence regarding T.M. issue.	0.30	\$81.00
M. A. Kornfeld	11/24/2021	B110	Emails throughout day regarding next steps on sale of buildings.	0.20	\$87.50
L. Humphries	11/25/2021	B110	Preparation of update to Sayre Payment Agreement and related correspondence.	0.40	\$108.00
L. Humphries	12/3/2021	B110	Phone conference regarding background report on Williams family member who received Kinetic transfer.	0.30	\$81.00
L. Humphries	12/7/2021	B110	Review and analysis of prior correspondence from T.M.; Preparation of draft correspondence regarding same on payment issue.	0.30	\$81.00
M. A. Kornfeld	12/7/2021	B110	Emails analysis throughout day regarding apartments, strategy next steps with J Maglich.	1.00	\$437.50
M. A. Kornfeld	12/8/2021	B110	Emails confer throughout day with J. Maglich regarding Zephyr, HOA fees for apartments, discussions with broker on marketing and selling apartments and ongoing asset collection strategy.	1.20	\$525.00
J. D. Maglich	12/9/2021	B110	Telephone call with SEC regarding status of Villa Gabriela title and HOA issues and confer regarding potential claims, and confer with Receiver regarding same	0.70	\$206.50
M. A. Kornfeld	12/9/2021	B110	Review emails and analysis re stay, HOA fees, lawsuit, Williams failure to pay.	1.00	\$437.50
L. Humphries	12/13/2021	B110	Communicated with T.M. regarding production of documents and correspondence regarding outstanding loan and issue with payment.	0.50	\$135.00
M. A. Kornfeld	12/15/2021	B110	Review, analyze, update regarding third parties and Lendacy and sale of apartments	0.50	\$218.75

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	12/28/2021	B110	Per discussions prior emails with Lauren Humphries Review files Analysis of all remaining potential claw back actions.	0.50	\$218.75
L. Humphries	12/29/2021	B110	Drafted promissory note for repayment of Kinetic transfer to T. Merer.	0.50	\$135.00
Subtotal Case Administration				27.70	9,058.50
Operations					
M. A. Kornfeld	12/16/21	B200	Emails analysis review confer with J. Maglich, Broker regarding maintenance repairs, HOA fees, marketing and sale of buildings.	0.50	218.75
Subtotal Operations				0.50	218.75
Administration					
J. D. Maglich	10/2/2021	B100	Review draft Interim Report and review correspondence and comments from M. Kornfeld.	1.10	\$324.50
M. A. Kornfeld	10/27/2021	B100	Review Emails analysis from Puerto Rico counsel on current status.	1.00	\$437.50
M. A. Kornfeld	11/1/2021	B100	Emails analysis review distribution order process next steps.	0.60	\$262.50
M. A. Kornfeld	11/2/2021	B100	Emails throughout day regarding administration of distribution payments to claimants with valid claims.	0.50	\$218.75
M. A. Kornfeld	11/3/2021	B100	Emails throughout day regarding distributions, tending to same with J. Maglich.	1.00	\$437.50
M. A. Kornfeld	11/4/2021	B100	Emails throughout day tend to letters checks review files for claimant distributions.	1.00	\$437.50
M. A. Kornfeld	11/5/2021	B100	Emails follow up throughout day regarding distributions.	0.50	\$218.75
M. A. Kornfeld	11/10/2021	B100	Tend to emails regarding investor distribution.	0.20	\$87.50
M. A. Kornfeld	11/10/2021	B100	Emails throughout day with team regarding ongoing issues to secure title to market apartments.	2.00	\$875.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/14/2021	B100	Emails with J. Maglich regarding response to investor inquiries regarding distributions.	0.20	\$87.50
M. A. Kornfeld	11/23/2021	B100	Emails confer with J. Maglich regarding claimant queries regarding distribution responses and priorities relating to same.	0.40	\$175.00
L. Humphries	11/23/2021	B100	Draft various correspondence and update on collection of assets for loan recipients of Kinetic.	0.30	\$81.00
M. A. Kornfeld	12/3/2021	B100	Emails confer with J. Maglich advise regarding apartments and readying them for sale.	0.50	\$218.75
M. A. Kornfeld	12/17/2021	B100	Emails, analysis, and confer with J. Maglich throughout day regarding apartments next steps and clawbacks.	0.50	\$218.75
M. A. Kornfeld	12/29/2021	B100	Emails regarding approval of settlement with Lendacy borrowers per emails with Lauren Humphries.	0.20	\$87.50
Subtotal Administration				10.00	4,168.00
Asset Analysis and Recovery					
L. Humphries	10/1/2021	B120	Assessed financial records and tax documents from T.M. regarding repayment of Kinetic transfer; Preparation of correspondence regarding same.	1.2	\$324.00
J. D. Maglich	10/4/2021	B120	Review Motion to grant motion to issue writ and order and confer with Puerto Rico counsel regarding same	0.5	\$147.50
J. D. Maglich	10/5/2021	B120	Meet with L. Humphries regarding status of demand letters and potential third-party actions	1.00	\$295.00
J. D. Maglich	10/5/2021	B120	Confer with Receiver regarding potential third-party actions and demand letters	0.30	\$88.50
L. Humphries	10/5/2021	B120	Preparation of summary update to interim report regarding collection of outstanding debts owed to estate.	0.80	\$216.00
J. D. Maglich	10/5/2021	B120	Review potential causes of action under Fla. Stats. 726.001 et seq.	0.50	\$147.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	10/5/2021	B120	Attendance at phone conference with J. Maglich regarding update to Receiver on outstanding debts owed.	0.5	\$135.00
L. Humphries	10/6/2021	B120	Preparation of email correspondence to M. Sayre regarding payment plan issue.	0.20	\$54.00
J. D. Maglich	10/7/2021	B120	Confer with Lauren Humphries regarding documents submitted by T.M.	0.40	\$118.00
L. Humphries	10/8/2021	B120	Preparation of email correspondence to Lendacy loan recipients regarding debt owed.	0.20	\$54.00
L. Humphries	10/8/2021	B120	Assessed records provided by T.M. prior to phone conference regarding repayment and potential claw back.	0.4	\$108.00
J. D. Maglich	10/11/2021	B120	Prepare for and attend call with T.M. regarding demand letter and follow-up with Receiver regarding same	1.50	\$442.50
L. Humphries	10/11/2021	B120	Attendance at phone conference with J. Maglich and T.M. regarding \$75,000 debt owed to estate.	1.20	\$324.00
L. Humphries	10/11/2021	B120	Attendance at phone conference with M.S. regarding wire amount and payment plan update.	0.4	\$108.00
L. Humphries	10/11/2021	B120	Preparation of various correspondence to M. Sayre regarding debt.	0.2	\$54.00
L. Humphries	10/14/2021	B120	Attendance at phone conference with M. Sayre regarding payment plan and back-owed \$6,000 to estate.	0.40	\$108.00
M. A. Kornfeld	10/15/2021	B120	Emails throughout day with broker, J. Maglich counsel regarding title and selling of apartments.	1.00	\$437.50
L. Humphries	10/15/2021	B120	Drafted supplemental correspondence contesting Lendacy loan recipients regarding final notice.	0.60	\$162.00
L. Humphries	10/19/2021	B120	Preparation of various correspondence to Receiver regarding outstanding Lendacy loans; Receipt and review of correspondence from J. Maglich regarding documentation for payment plans.	0.50	\$135.00
J. D. Maglich	10/19/2021	B120	Exchange correspondence with L. Humphries regarding status of Lendacy demand letters and repayment	0.30	\$88.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	10/20/2021	B120	Preparation of correspondence to M. Reynolds regarding debt.	0.10	\$27.00
L. Humphries	10/20/2021	B120	Drafted contractual agreement regarding payment plans for Lendacy loan recipient debtors.	0.60	\$162.00
L. Humphries	10/21/2021	B120	Preparation of correspondence regarding M. Sayre.	0.10	\$27.00
L. Humphries	10/21/2021	B120	Preparation of correspondence to M. Reynolds regarding payment; Preparation of correspondence to M. Sayre regarding payment issue; Receipt and review of various correspondence regarding same.	0.4	\$108.00
L. Humphries	10/22/2021	B120	Drafted update report on Lendacy Loan and Kinetic fund recipients for Interim Status Report for Court and Receivership.	0.60	\$162.00
J. D. Maglich	10/26/2021	B120	Confer with Z. Iglesias regarding status of pending actions in Puerto Rico regarding Villa Gabriella title issues	0.3	\$88.50
M. A. Kornfeld	10/28/2021	B120	Emails review respond to settlement agreement with Lendacy borrower.	0.40	\$175.00
L. Humphries	10/28/2021	B120	Review and analysis of various correspondence regarding \$6,000 payment to estate; Assessed Lendacy documents to confirm no statute of limitation issues prior to documenting payment plans.	0.6	\$162.00
L. Humphries	10/28/2021	B120	Preparation of various correspondence to M. Sayre regarding \$6,000 payment to Receivership estate; Attendance at phone conference regarding same.	0.4	\$108.00
L. Humphries	10/29/2021	B120	Drafted correspondence to M. Sayre regarding wiring and payment.	0.20	\$54.00
L. Humphries	10/29/2021	B120	Drafted final notice of debt to M. Stewart.	0.20	\$54.00
J. D. Maglich	10/29/2021	B120	Confer with B. Rivera and Receiver regarding status of Villa Gabriella efforts	0.30	\$88.50
L. Humphries	10/29/2021	B120	Preparation of edits to formal Demand for Payment of Debt to Lendacy loan recipients; Preparation of settlement agreement regarding repayment.	0.6	\$162.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	11/2/2021	B120	Assessed and prepared edits to language for interim report for Court filing	0.4	\$108.00
J. D. Maglich	11/8/2021	B120	Review status of Villa Gabriella title issues and draft correspondence to Puerto Rico counsel regarding same	0.3	\$88.50
J. D. Maglich	11/10/2021	B120	Telephone and email correspondence with Z. Iglesias regarding status of Villa Gabriella title transfer and issues and confer with Receiver regarding same	0.5	\$147.50
L. Humphries	11/11/2021	B120	Assessed information and email correspondence sent by T.M. regarding contesting repayment of debt.	0.4	\$108.00
L. Humphries	11/11/2021	B120	Preparation of various correspondence to T.M. regarding denial and information for Jordan Maglich; Receipt and review of various correspondence regarding same.	0.3	\$81.00
J. D. Maglich	11/11/2021	B120	Exchange correspondence with B. Rivera regarding status of title transfer for Villa Gabriella property and confer regarding next steps	0.3	\$88.50
L. Humphries	11/12/2021	B120	Drafted settlement contract regarding debt repayment.	0.80	\$216.00
M. A. Kornfeld	11/16/2021	B120	Emails, confer with J. Maglich outside counsel on sale of apartment.	0.5	\$218.75
J. D. Maglich	11/17/2021	B120	Exchange correspondence with Puerto Rico local counsel regarding Villa Gabriella status	0.3	\$88.50
M. A. Kornfeld	11/19/2021	B120	Emails, analysis of registrar transfers, ownership, taxes, marketing of buildings.	1.00	\$437.50
J. D. Maglich	11/23/2021	B120	Confer with Receiver, Puerto Rico counsel and realtor regarding Villa Gabriella status and next steps	0.30	\$88.50
L. Humphries	11/23/2021	B120	Strategized response to T.M.'s objection to payback of debt/loan.	0.3	\$81.00
L. Humphries	11/23/2021	B120	Assessed various information and correspondence related to M. Jones to determine next steps in recovery of loan.	0.4	\$108.00
M. A. Kornfeld	11/29/2021	B120	Discussions with J. Maglich regarding claw backs and asset sales	0.40	\$175.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	11/30/2021	B120	Telephone and email correspondence with Ben Rivera regarding listing of Villa Gabriella property	0.4	\$118.00
J. D. Maglich	12/1/2021	B120	Confer with B. Rivera regarding status of Villa Gabriella units	0.20	\$59.00
J. D. Maglich	12/1/2021	B120	Confer with counsel for Villa Gabriella HOA regarding outstanding maintenance fee issues	0.40	\$118.00
J. D. Maglich	12/3/2021	B120	Review correspondence from counsel for Villa Gabriella HOA and strategize with Receiver regarding same	0.4	\$118.00
J. D. Maglich	12/6/2021	B120	Confer with J. O'Neill regarding status of Zephyr investment	0.30	\$88.50
J. D. Maglich	12/6/2021	B120	Review correspondence from B. Rivera regarding visit to Villa Gabriella and issues identified with exterior	0.4	\$118.00
J. D. Maglich	12/7/2021	B120	Telephone call with J. O'Neill regarding Zephyr investment status and draft memorandum to file regarding same	1	\$295.00
J. D. Maglich	12/7/2021	B120	Review status of interim distributions and review and analyze list of outstanding checks	0.4	\$118.00
J. D. Maglich	12/8/2021	B120	Telephone and email correspondence with F. Cervoni regarding outstanding and delinquent maintenance fees for Villa Gabriela and confer with Receiver regarding same	1.00	\$295.00
J. D. Maglich	12/9/2021	B120	Revise and finalize correspondence to F. Cervoni regarding Villa Gabriela and coordinate transmittal of same	0.60	\$177.00
M. A. Kornfeld	12/10/2021	B120	Ongoing analysis relating to apartment building strategies.	1.00	\$437.50
J. D. Maglich	12/10/2021	B120	Confer with L. Humphries regarding status of collection efforts from third parties	0.30	\$88.50
L. Humphries	12/13/2021	B120	Attendance at phone conference regarding outstanding tasks.	0.2	\$54.00
L. Humphries	12/14/2021	B120	Preparation of miscellaneous work on asset recovery regarding loan recipients, research on insolvency, clawback issues, and draft letters to determine clawback of money from individuals.	1.70	\$459.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	12/14/2021	B120	Telephone call with H. Levenberg and N. Escudero regarding financial operations and status of Kinetic entities during 2018/2019 period	0.60	\$177.00
L. Humphries	12/14/2021	B120	Preparation of miscellaneous work on asset recovery regarding loan recipients, research on clawback issues, and draft clawback letters to potential net winners	0.70	\$189.00
J. D. Maglich	12/14/2021	B120	Confer with L. Humphries and analyze and strategize regarding third-party claims against Lendacy loan recipients, other third parties, and potential net winner investors	0.8	\$236.00
L. Humphries	12/15/2021	B120	Draft correspondence to loan recipients regarding document issue in repayment of debt to estate.	0.2	\$54.00
L. Humphries	12/17/2021	B120	Draft strategy update to the Receiver regarding asset recovery and efforts with loan recipients.	0.40	\$108.00
M. A. Kornfeld	12/20/2021	B120	Emails respond to L. Humphries regarding Lendacy borrowers and continued approach to same.	0.40	\$175.00
M. A. Kornfeld	12/20/2021	B120	Emails, analysis, and confer with J. Maglich regarding analysis, next steps as to marketing, expenses and sale of apartment buildings.	0.40	\$175.00
L. Humphries	12/20/2021	B120	Reviewed and assessed analysis from Receiver on asset recovery efforts and close of loan claims.	0.20	\$54.00
L. Humphries	12/20/2021	B120	Draft update to Receiver on outstanding asset recovery.	0.2	\$54.00
M. A. Kornfeld	12/21/2021	B120	Review files relating to Lendacy borrowers per emails and recommendations from L. Humphries.	0.50	\$218.75
M. A. Kornfeld	12/22/2021	B120	Review emails throughout day regarding sale of apartment and issues relating to same.	1.00	\$437.50
L. Humphries	12/24/2021	B120	Draft various agreements regarding closure of outstanding loan claims.	0.8	\$216.00
L. Humphries	12/29/2021	B120	Draft correspondence to T.M.; Attendance at phone conference regarding same.	0.30	\$81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
Subtotal Asset Analysis and Recovery				37.90	11,678.50
Total Hours				82.30	
Total Fees					\$26,952.75

DESCRIPTION OF COSTS

Description		Amount
11/05/21	Mailing	12.67
11/10/21	Postage - M. A. Kornfeld	197.91
11/16/21	Postage - M. A. Kornfeld	7.53
Total Costs		\$218.11

Amount Due This Invoice:	\$27,170.86
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TIMEKEEPER SUMMARY

Name	Title	Hours	Rate	Amount
L. Humphries	Associate	20.90	270.00	5,643.00
J. D. Maglich	Counsel	27.30	295.00	8,053.50
J. D. Maglich	Counsel	3.80	N/C	N/C
M. A. Kornfeld	Partner	30.30	437.50	13,256.25
	Total	82.30		26,952.75



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

January 12, 2022
Invoice No. 12137873

Our Reference:	0103373-000001
Client Name:	MARK KORNFELD, RECEIVER
Invoice Date:	January 12, 2022
Invoice Number:	12137873
Total Due This Invoice:	\$27,170.86

Total Due All Invoices For this Matter:	\$27,170.86
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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: 12137873

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”

**INVOICE DETAIL**

Mark Kornfeld, Receiver
Buchanan Ingersoll & Rooney PC
401 E. Jackson Street
Suite 2400
Tampa, FL 33602

Invoice Number: 30964
Date: January 6, 2022
Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered October 1, 2021 through December 31, 2021

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
10/05/2021	NED	Reviewed email communication and searched for payments to C.A.	0.3	\$ 245	\$ 73.50
10/06/2021	HAL	Reviewed schedule of payments to / for the benefit of C.A. prepared by NED.	0.4	\$ 295	\$ 118.00
10/06/2021	NED	Prepared schedule of payments to / for the benefit of C.A. (1.3); reviewed bank records and Lendacy loan statements (.7); email communication with J. Maglich re: same (.2).	2.2	\$ 245	\$ 539.00
12/14/2021	HAL	Conference call with J. Maglich and NED re: net winners.	0.7	\$ 295	\$ 206.50
12/14/2021	NED	Conference call with HAL and J. Maglich re: net winners.	0.7	\$ 245	\$ 171.50
Total Fees			4.3		\$ 1,108.50
Total Amount Due					\$ 1,108.50



YIP ASSOCIATES

FORENSIC ACCOUNTING +
FINANCIAL INVESTIGATIONS

Invoice Number: 30964

Matter ID: 291.0001

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
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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: \$1,108.50

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”

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
10/01/2021	10/31/2021	29841	\$495.00	in RE: Kinetic	Due on Receipt

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

Case Contact:
 Buchanan Ingersoll
 Jordan Maglich
 813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	10/05/2021		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 **\$495.00**

TOTAL **\$495.00**

Balance Due \$495.00

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
11/01/2021	11/30/2021	30688	\$495.00	in RE: Kinetic	Due on Receipt

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

Case Contact:
 Buchanan Ingersoll
 Jordan Maglich
 813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	11/05/2021		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 **\$495.00**

TOTAL **\$495.00**

Balance Due **\$495.00**

Retainer Amount Remaining **\$0.00**

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

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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
12/01/2021	12/31/2021	30699	\$495.00	in RE: Kinetic	Due on Receipt

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

Case Contact:
 Buchanan Ingersoll
 Jordan Maglich
 813-222-2098

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	12/05/2021		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 **\$495.00**

TOTAL **\$495.00**

Balance Due **\$495.00**

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

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E-Hounds also accepts:

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

EXHIBIT “6d”



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

**Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
 October 1, 2021 through October 31, 2021**

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
10/20/2021	Consulting	WEP	Reviewed court reports	1.25	\$ 320.00	\$ 400.00
10/26/2021	Consulting	WEP	Worked on retirement plan termination	2.25	\$ 320.00	\$ 720.00
	Total Consulting			3.50		\$ 1,120.00
10/14/2021	1120 Tax	SGH	Research retiremant plan termination	2.00	\$ 60.00	\$ 120.00
	Total 1120-SF Tax			2.00		\$ 120.00
10/1/2021	Accounting & Auditing	SRS	Pulled bank statements and worked on reconciliations for accounts	2.90	\$ 125.00	\$ 362.50
10/4/2021	Accounting & Auditing	SRS	Updated reconciliations and quarterly AFAR report	1.75	\$ 125.00	\$ 218.75
10/6/2021	Accounting & Auditing	SRS	Completed consolidated review	0.80	\$ 125.00	\$ 100.00
10/14/2021	Accounting & Auditing	GAH	Completed combining files and review consolidation of files	2.25	\$ 155.00	\$ 348.75
10/18/2021	Accounting & Auditing	GAH	Reviewed monthly bank reconciliations and consolidation of files	0.25	\$ 155.00	\$ 38.75
	Total Accounting & Auditing			7.95		\$ 1,068.75

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

13.45

\$ 2,308.75



**Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
 November 1, 2021 through November 30, 2021**

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
11/2/2021	Consulting	GAH	Reviewed Checks for Distribution	0.75	\$ 155.00	\$ 116.25
11/2/2021	Consulting	WEP	Researched/Reviewed Investor Claims Management	1.25	\$ 320.00	\$ 400.00
11/10/2021	Consulting	GAH	Approved/Generated Checks	0.25	\$ 155.00	\$ 38.75
11/18/2021	Consulting	WEP	Plan Reporting for 401(k)	1.25	\$ 320.00	\$ 400.00
11/29/2021	Consulting	WEP	Followed Up with 401(k) Participant	1.25	\$ 320.00	\$ 400.00
	Total Consulting			4.75		\$ 1,355.00
11/2/2021	Accounting & Auditing	MJY	Prepared First Installment of Distribution Checks	1.50	\$ 125.00	\$ 187.50
11/3/2021	Accounting & Auditing	GAH	Reviewed/Printed Checks	0.75	\$ 155.00	\$ 116.25
11/3/2021	Accounting & Auditing	MJY	Prepared First Installment of Distribution Checks	1.00	\$ 125.00	\$ 125.00
11/8/2021	Accounting & Auditing	SRS	Downloaded and Prepared Reconciliations for 4th Qtr. 2021	3.55	\$ 125.00	\$ 443.75
11/10/2021	Accounting & Auditing	SAO	Updated Accounting Records	0.30	\$ 125.00	\$ 37.50
11/10/2021	Accounting & Auditing	MJY	Re-Printed Claimant Check	0.50	\$ 125.00	\$ 62.50
11/24/2021	Accounting & Auditing	PDR CPAs	Out-of-Pocket Expenses: Fed-Ex Charges Related to Check Detail Report	-	\$ -	\$ 54.29
	Total Accounting & Auditing			7.60		\$ 1,026.79

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

12.35

\$ 2,381.79



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

**Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
December 1, 2021 through December 31, 2021**

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
12/9/2021	Consulting	WEP	Followed up on retirement plan	1.75	\$ 320.00	\$ 560.00
12/27/2021	Consulting	WEP	Followed up on 401(k) participants	0.75	\$ 320.00	\$ 240.00
	Total Consulting			2.50		\$ 800.00
12/9/2021	Accounting & Auditing	SRS	Reconciled bank statements and accounts for 4th quarter-ended 12-31-21	2.65	\$ 125.00	\$ 331.25
12/10/2021	Accounting & Auditing	SRS	Reconciled bank statements and accounts for 4th quarter-ended 12-31-21	2.55	\$ 125.00	\$ 318.75
12/31/2021	Accounting & Auditing	SAO	Updated accounting records	0.20	\$ 125.00	\$ 25.00
	Total Accounting & Auditing			5.40		\$ 675.00
Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC				<u>7.90</u>		<u>\$ 1,475.00</u>

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	201904853
Issue Date	12/29/2021
Due Date	12/31/2021
Email	Jordan.Maglich@bipc.com

Bill To:

Buchanan Ingersoll & Rooney PC
 O: 813-222-2098

Time Entries

Time Entries		Hours	Sub
Senior Attorney GD 10/4/2021 Gabriela's House- Kinetic Investment Group. Re: Recieve Jordan Maglich's email with "Receiver's Request to Grant Unopposed Motion" and review motion for filing. Coordinate with courier to file motion at Federal Court in Hato Rey, Puerto Rico.	\$200.00	0.50	\$100.00
Senior Attorney GD 10/4/2021 Gabriela's House- Kinetic Investment Group. Re: Check status of cancellation cases in electronic filing in SUMAC. Draft and send email to Jordan with filed motion on federal court, and status on cancellation cases.	\$200.00	0.50	\$100.00
Senior Attorney GD 10/5/2021 Gabriela's House- Kinetic Investment Group. Re: Draft and send email on 10/04/2021 to counsels (6) serving filed motion of Request to Grant Unopposed Motion. Send email to Jordan Maglich with filed and stamped motion on 10/05/2021.	\$200.00	0.50	\$100.00
Senior Attorney ZI 10/8/2021 Receive Order and Writ for Activity in Case 3:21-mc-00309-SCC In re: Registration of Order and Joint Stipulation from Another District Motion requesting Order. Review docket and documents.	\$200.00	1.25	\$250.00
Senior Attorney GD 10/13/2021 Gabriela's House- Kinetic Investment Group. Re: Receive Jordan Maglich's 12/oct/2021 email to follow up on Federal District Court request of Order and Writ, and mortgage cancellation cases. Checked SUMAC portal to review status on the cases. Draft and send email to Jordan with status on the cases.	\$200.00	1.00	\$200.00
Senior Attorney GD 10/15/2021 Draft and Prepare Instance to the Property Registry of Puerto Rico for recording in fee simple in favor of Mark Konfeld as Court-Appointed Receiver. Re: Gabriela's House- Kinetic Investment Group (Property #5231).	\$200.00	1.00	\$200.00
Senior Attorney ZI 10/26/2021 Email communication with client regarding Adrian Day and the filing of documents at the Registry of the Property.	\$200.00	0.50	\$100.00

Time Entries		Hours	Sub
Paralegal DK 10/29/2021 Draft and insert legal description of each (5) Property in the instance to the Property Registry. Re: Gabriela's House - Kinetic/Quarles & Brady LLC.	\$150.00	0.50	\$75.00
Senior Attorney GD 10/29/2021 Insert changes to Instances prepared to present at the Property Registry (KARIBE). Print, sign and scan the documents (5). Organize documents in order to be uploaded to Karibe and save in PDF format with appropriate file size. Re: Gabriela's House- Kinetic Investment Group. (5 properties)	\$200.00	2.00	\$400.00
Senior Attorney GD 11/4/2021 Send email to Lcda. Erika Morales following up on the status of mortgage cancellation cases. Receive email with status and reply acknowledging receipt of email and requesting status on future movements on the case. Re: Gabriela's House.	\$200.00	0.50	\$100.00
Senior Attorney GD 11/10/2021 Meeting with Lcda. Zwindi Iglesias to discuss pending instances to be presented at the Property Registry for applicable registration and presentation fees. draft additional information on each (5) instances for each property. Re: Gabriela's House	\$200.00	1.00	\$200.00
Senior Attorney ZI 11/10/2021 Re; Villa Gabriela - Call with Jordan regarding fees to be paid for registering the Instances at the Registry of the Property.	\$200.00	0.25	\$50.00
Senior Attorney ZI 11/11/2021 Re: Villa Gabriela - receive email from client authorizing the transaction for payment of the fees for the Instances to be filed at the Registry of the Property.	\$200.00	0.25	\$50.00
Tax Associate RB 11/11/2021 Payment options for \$5,965.50	\$150.00	0.25	\$37.50
Senior Attorney GD 11/11/2021 Internal Call with Rosaymar Berrios regarding status on payment of vouchers of presentation to the Property Registry. Receive emails from Jordan Maglich regarding payment and wire transfer. Re: Gabriela's House Instances to the Property Registry.	\$200.00	0.50	\$100.00
Senior Attorney ZI 11/15/2021 Present (5) Instances, for each property individually, at the Property Registry of Puerto Rico through KARIBE web platform. RE: Gabriela's House.	\$200.00	3.50	\$700.00
Senior Attorney GD 11/22/2021 Receive email from Jordan Maglich regarding Mark Kornfeld's transfer of property under his name. Draft and send email to Jordan Maglich with answer.	\$200.00	0.25	\$50.00
	Time Entries Total	14.25	\$2,812.50

Total (USD)	\$2,812.50
Paid	\$0.00
Balance	\$2,812.50

Payments can be made by check or ACH transfer:

BY CHECK: Please make check payable to IRW Law Office and send to: PMB 721, #1353 Ave. Luis Vigoreaux, Guaynabo, PR 00966

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

BY ACH TRANSFER:

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

Thank you!

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 EIGHTH INTERIM OMNIBUS
APPLICATION FOR ALLOWANCE AND PAYMENT OF
PROFESSIONALS' FEES AND REIMBURSEMENT OF EXPENSES
FOR OCTOBER 1, 2021 – DECEMBER 31, 2021

THIS CAUSE came before the Court on the Receiver's (the "Receiver") Eighth Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for October 1, 2021 through December 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	\$27,170.86
Yip & Associates	\$1,108.50
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$6,165.54
IRW Law Offices	\$2,812.50

DONE and ORDERED this ____ day of _____, 2022 in Tampa,
Florida.

**UNITED STATES DISTRICT COURT
JUDGE**