

**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,
SCPIO, LLC, LF42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and
KIH, INC. f/k/a KINETIC INTERNATIONAL, LLC,**

Relief Defendants.

**RECEIVER'S NINTH INTERIM OMNIBUS APPLICATION FOR
ALLOWANCE AND PAYMENT OF PROFESSIONALS' FEES
AND REIMBURSEMENT OF EXPENSES FOR
JANUARY 1, 2022 – MARCH 31, 2022¹**

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, Scpio, 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 January 1, 2022, through March 31, 2022 (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 \$52,633.42 to the professionals engaged by the Receiver for fees incurred and reimbursement of \$244.67 in expenses for a total payment of \$52,633.42. This Application includes time billed for the three-month period from January 1, 2022 through March 31, 2022. 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. Listed The Villa Gabriela Properties For Sale

- In connection with the Receiver's efforts to transfer title of the Villa Gabriela properties (consisting of two properties and two parking spots) in San Juan, Puerto Rico from Defendant Williams to the Receiver, as provided in the Court's Order approving the Receiver's Motion for Turnover (Doc. 72), the Receiver also was required to utilize his Puerto Rico counsel to address and resolve several existing deficiencies from the previous sale to Defendant Williams. After obtaining title, the Receiver was able to gain access to, and assess the condition of, the Villa Gabriella properties. The Receiver then worked with his Puerto Rico legal counsel to list the Villa Gabriela properties for sale, and details of the listing are posted on the Receiver's website at www.kineticreceivership.com/assets-for-sale. Following extensive marketing efforts and bidding process (which included interest from over two dozen potential buyers), the Receiver ultimately agreed to sell the Properties for \$2,100,000.00 to Allan Rothstein (the "Purchaser"), as set forth in the Purchase and Sale Agreement. The proposed sale price is 40% higher than the price previously paid by Williams using funds traceable to investor deposits. On April 1, 2022, the Receiver filed Receiver's Motion for Approval of the Sale of the (1) Private Sale of Puerto Rico Real Properties and Parking Spaces; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated with the Sale of the Real Properties. (Doc. 271). At this time, the Receiver awaits an Order from the Court approving the sale.

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

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. For one of those claims, the Receiver filed a motion seeking the Court's approval of a negotiated settlement (Doc. 271).

3. The Eighth Interim Report

- The Receiver prepared and filed his Eighth Interim Report on January 31, 2022 (Doc. 269), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

4. 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.

5. Attended To Litigation Matters

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

6. 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 Ninth Interim Report which was filed on May 2, 2022 (Doc. 280) (the "Ninth 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 Ninth Report into this Application and attaches a true and correct copy of the Ninth 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

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

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.

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:** January 1, 2022 – March 31, 2022.

(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

Exhibit 5(f): K.Tek Systems

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:

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(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

Exhibit 6(f): K.Tek Systems

IV. Case Status

(a) Cash on hand

As of the date of this Application, the Receivership bank accounts have a cumulative balance of \$6,802,891.⁵

(b) Summary of the administration of the case

Since his appointment on March 6, 2020, the Receiver has administered the case with the objective of efficiently fulfilling his duties under the Order Appointing Receiver while doing so as cost-effectively as possible by, wherever available, leveraging the use of professionals with favorable rate structures.

During this reporting period, the Receiver has focused on (i) continuing his investigation of the underlying business operations of the various Receivership Entities, (ii) enhancing and preserving the value of Receivership assets, including

⁵ This balance includes approximately \$249,232.97 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.

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 addition to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed

disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Ninth 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 counsel 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 42.60 hours expended on this Receivership and seeks compensation for professional services in the amount of \$18,637.50 and costs in the amount of \$164.67. 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 85.70 hours assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, but only seeks compensation for 80.20 of those hours. Buchanan Ingersoll seeks compensation for professional services in the amount of \$23,000.00 and costs

in the amount of \$80.00. The statement summarizing the services rendered by Buchanan Ingersoll is also encompassed within **Exhibit 6(a)** attached hereto. The work performed by Buchanan Ingersoll has been focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; investigating and pursuing additional assets for the Receivership, and coordinating the framework and procedures for a Court-approved claims process as detailed in the Interim Report. For the period from January 1, 2022, through March 31, 2022, the Receiver requests that the Court award the Receiver and Buchanan Ingersoll fees for professional services rendered and costs incurred in the amounts of \$41,361.50 and \$244.67, respectively, for a total of \$41,606.17.

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 10.3 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver and seeks professional fees in the sum of \$2,738.50. 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 January 1, 2022, through March 31, 2022, in the amount of \$2,738.50.

(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 January 1, 2022, through March 31, 2022, in the amount of \$1,485.00.

(d) Services Provided By PDR CPAs + Advisors.

The Receiver obtained Court approval to retain the services of PDR CPAs + Advisors ("PDR") to handle tax-related issues for the Receivership Entities. (Doc. 47.) This includes the preparation of any required tax-related documents as well as

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.

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 15.75 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 January 1, 2022, through March 31, 2022, in the amount of \$2,891.25.

(e) Services Provided By IRW Law Offices.

In connection with his efforts to market and sell various Receivership real property located in Puerto Rico, the Receiver obtained Court approval to retain the services of IRW Law Offices ("IRW") 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 16.25 hours expended on this matter and billed the Receiver for professional services rendered in the amount of \$3,192.50

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 January 1, 2022, through March 31, 2022, in the amount of \$3,192.50

(f) Services Provided By K.Tek Systems.

The Receiver obtained Court approval to retain the services of K.Tek Systems, Inc. (“K.Tek”) to prepare a website to be used to communicate with interested parties including investors. Doc. 47. The Court previously approved the payment of K.Tek’s invoices for the hosting of the Receiver website during the time period of April 1, 2020 to April 1, 2021. The Receiver now requests compensation for \$760.00 for the annual hosting charge for the time period of April 1, 2021 to April 1, 2022, which is referenced in the invoice attached as **Exhibit 6(f)**. The Receiver requests that the Court award K.Tek fees for professional services rendered incurred from January 1, 2022, through March 31, 2022, in the amount of \$720.

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	\$41,606.17
Yip & Associates	\$2,738.50
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$2,891.25
IRW Law Offices	\$3,192.50
KTEK Systems, Inc.	\$ 720.00

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

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

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), the Receiver hereby certifies that he has conferred with counsel for Plaintiff, Securities and Exchange Commission, which does

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

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

By: /s/ Lauren V. Humphries
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CERTIFICATE OF SERVICE

I hereby certify that on May 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.
Barbara Viniegra, Esq.
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4881-5409-0518, v. 1

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

EXHIBIT “1”

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 01/01/2022-03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2022):			\$ 6,754,290.88
Increases in Fund Balance:				
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	4,024.38		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	0.00		
Line 8	Miscellaneous - Other			
Total Funds Available (Line 1 - 8):			4,024.38	6,758,315.26
Decreases in Fund Balance:				
Line 9	Disbursements to Claimants	-		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses	1,650.00		
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	621.17		
Total Disbursements for Receivership Operations			11,100.53	11,100.53
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)				11,100.53
Line 13	Ending Balance (As of 03/31/2022)			6,747,214.73

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 01/01/2022-03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,747,214.73
Line 14a	Cash & Cash Equivalents			6,747,214.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,747,214.73
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 03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities	13,652,912.22		
Line 4	Interest/Dividend Income	124,357.58		
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):		21,509,293.50	21,509,293.50
	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	35,781.18		
Line 10c	Personal Asset Expenses	61,805.82		
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	621.17		
	Total Disbursements for Receivership Operations		14,762,078.77	14,762,078.77
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)			14,762,078.77
Line 13	Ending Balance (As of 03/31/2022)			6,747,214.73

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 03/06/2020 to 03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,747,214.73
Line 14a	Cash & Cash Equivalents			6,747,214.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,747,214.73
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
TAMPA DIVISION**

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

Relief Defendants.

_____ /

RECEIVER'S NINTH 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”), Scpio, LLC (“Scpio”), 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 Ninth Interim Report (the “Ninth Report”) covering information and activity occurring from January 1, 2022 to March 31, 2022. 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 Ninth Report (January 1, 2022 to March 31, 2021), the Receiver and his team of legal, technology, tax, and accounting professionals (collectively, the “Retained Professionals”) have engaged in significant activities including but not limited to:

1. **Listed The Villa Gabriela Properties For Sale**

- In connection with the Receiver’s efforts to transfer title of the Villa Gabriela properties (consisting of two properties and two parking spots) in San Juan, Puerto Rico from Defendant Williams to the Receiver, as provided in the Court’s Order approving the Receiver’s Motion for Turnover (Doc. 72), the Receiver also was required to utilize his Puerto Rico counsel to address and resolve several existing deficiencies from the previous sale to Defendant Williams. After obtaining title, the Receiver was able to gain access to, and assess the condition of, the Villa Gabriella properties. The Receiver also worked with his Puerto Rico real estate broker to list the Villa Gabriela Properties for sale. Following extensive marketing efforts and bidding process (which included interest from over two dozen potential buyers), the Receiver ultimately agreed to sell the Properties for \$2,100,000.00 to Allan Rothstein (the “Purchaser”), as set forth in the Purchase and Sale Agreement. Details of the Villa Gabriela Properties were posted to the Receiver’s website, www.kineticreceivership.com/assets-for-sale. The proposed sale price is 40% higher than the price previously paid by Williams using funds traceable to investor deposits. On April 1, 2022, the Receiver filed Receiver’s Motion for Approval of the Sale of the (1) Private Sale of Puerto Rico Real Properties and Parking Spaces; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated with the Sale of the Real Properties. (Doc. 271). On April 15, 2022, Williams filed his Response in Opposition to the Receiver’s Motion for Approval to Sell Defendant’s Condos (Doc. 277). Receiver is currently in the process of preparing a response to Williams’ Opposition Motion. Once the Court receives all filings on the Motion for Approval, the Court will make a determination on the approval of the sale.

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. For one of those claims, the Receiver filed a motion seeking the Court's approval of a negotiated settlement (Doc. 271).

3. The Eighth Interim Report

- The Receiver prepared and filed his Eighth Interim Report on January 31, 2022 (Doc. 269), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

4. 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.

5. Attended To Litigation Matters

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

6. 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 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

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.

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 September 30, 2021, the Receiver and his retained legal, accounting, tax, and technology professionals have been paid approximately **\$1,250,000** 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.

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 Ninth 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.

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:

<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%

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%.

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

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.

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

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.

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	6,610,940.57	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

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.

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

Change in NAV	Total
Starting Value	6,510,940.67
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	-2,963.13
Ending Value	4,734,380.68

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

Despite having open equity positions with a value of more than \$100 million as of December 29, 2017, the account statement shows that the vast majority of 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

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

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 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.

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.

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 two separate purchases 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
 - 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.

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).

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

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.

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 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.

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.

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.

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

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

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

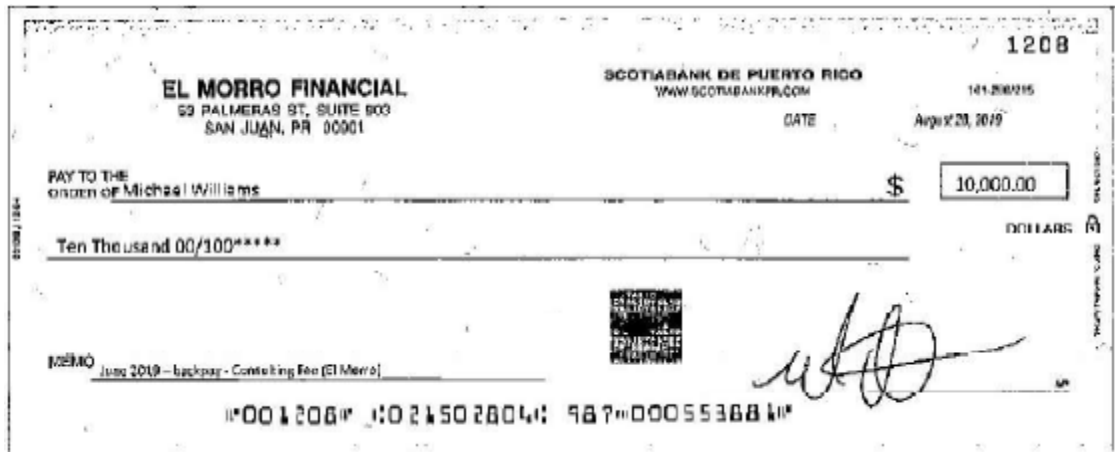
The Receiver's review of the financial transactions among the various Receivership Entities has allowed him to trace millions of dollars in investor funds that were transferred to or for the benefit of Defendant Williams and without any discernible authorized purpose or benefit to Kinetic Funds. As further 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 two luxury apartments 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);

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.

- 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. Listed Villa Gabriela Properties 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.” 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 the Villa Gabriela Properties. *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 the Villa Gabriela Properties 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 the Villa Gabriela Properties. In late May 2021, Defendant

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.

Williams' counsel communicated to the Receiver that Mr. Williams opposed any sale of the Villa Gabriella property before the case was scheduled for trial. Mr. Williams also refused to discuss turning over possession of the Villa Gabriela Properties, indicating that Defendant Williams' girlfriend and other family members were residing in the penthouse unit of the property.

After learning that the penthouse unit of the Villa Gabriela Properties had been vacant for some time, and also being informed that the tenant in the other property would be moving out, the Receiver has worked with his Puerto Rico local counsel to take steps to transfer title of the Villa Gabriela Properties to the Receiver as provided in the agreement between the Receiver and Mr. Williams. After significant efforts, title was successfully transferred to the Receiver. The Receiver also worked with his Puerto Rico local counsel to address an outstanding administrative issue from the time the property was initially sold to Mr. Williams, and that issue was also resolved during the Reporting Period.

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 Gabriela. The Receiver subsequently took possession of the Villa Gabriela Properties and has been in

contact with the Council of Owners of Villa Gabriela to address the pending deficiencies. The Receiver also worked with his Puerto Rico real estate broker to list the Villa Gabriela Properties for sale. Following extensive marketing efforts and bidding process (which included interest from over two dozen potential buyers), the Receiver ultimately agreed to sell the Properties for \$2,100,000.00 to Allan Rothstein (the “Purchaser”), as set forth in the Purchase and Sale Agreement. Details of the Villa Gabriela Properties were posted to the Receiver’s website, www.kineticreceivership.com/assets-for-sale. The proposed sale price is 40% higher than the price previously paid by Williams using funds traceable to investor deposits. On April 1, 2022, the Receiver filed Receiver’s Motion for Approval of the Sale of the (1) Private Sale of Puerto Rico Real Properties and Parking Spaces; and (2) Proposed Publication, Marketing, and Overbid Procedures Associated with the Sale of the Real Properties. (Doc. 271). On April 15, 2022, Williams filed his Response in Opposition to the Receiver’s Motion for Approval to Sell Defendant’s Condos (Doc. 277). Receiver is currently in the process of preparing a response to Williams’ Opposition Motion. Once the Court receives all filings on the Motion for Approval, the Court will make a determination on the approval of the sale.

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. The Eighth Interim Report

The Receiver prepared and filed his Eighth Interim Report on January 31, 2022 (Doc. 269), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds.

D. 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.*

E. 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.

F. Receivership Accounting

Receivership funds are currently being held at ServisFirst Bank. The Receiver has attached a standardized fund accounting report showing the total funds on hand and secured as of March 31, 2022 as **Exhibit 1**.¹⁴

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

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 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.

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.

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 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 Gabriela Properties from Defendant Williams to the Receiver and has now listed the properties for sale. Any interested parties can obtain additional details by visiting the Receiver's website at www.kineticreceivership.com/assets-for-sale. 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:



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Attorneys for Receiver Mark A. Kornfeld

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 29th day of April, 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:

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Counsel for Defendant Michael Williams

A handwritten signature in blue ink that reads "Lauren Humphries". The signature is written in a cursive, flowing style.

Attorney

4879-0341-5062, v. 1

EXHIBIT 1

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 01/01/2022-03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2022):			\$ 6,754,290.88
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	4,024.38		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	0.00		
Line 8	Miscellaneous - Other			
	Total Funds Available (Line 1 - 8):		4,024.38	6,758,315.26
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Claimants	-		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses	1,650.00		
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	621.17		
	Total Disbursements for Receivership Operations		11,100.53	11,100.53
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)			11,100.53
Line 13	Ending Balance (As of 03/31/2022)			6,747,214.73

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 01/01/2022-03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,747,214.73
Line 14a	Cash & Cash Equivalents			6,747,214.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,747,214.73
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 03/31/2022

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	124,357.58		
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):		21,509,293.50	21,509,293.50
	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	35,781.18		
Line 10c	Personal Asset Expenses	61,805.82		
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	621.17		
	Total Disbursements for Receivership Operations		14,762,078.77	14,762,078.77
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)			14,762,078.77
Line 13	Ending Balance (As of 03/31/2022)			6,747,214.73

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 03/06/2020 to 03/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,747,214.73
Line 14a	Cash & Cash Equivalents			6,747,214.73
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,747,214.73
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 May, 2022.

A handwritten signature in black ink, appearing to read 'Mark A. Kornfeld', written over a horizontal line.

MARK A. KORNFELD
Receiver

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

EXHIBIT “4”

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

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	122.80	\$41,361.50	\$244,67	\$41,606.17	\$384,192.25	\$9,065.56
Yip & Associates	Accountants	10.30	\$2,738.50	\$0.00	\$2,738.50	\$263,049.75	\$558.80
E-Hounds, Inc.	Information Technology and Forensic Technology	0.00	\$0.00	\$1,485.00	\$1,485.00	\$40,490.00	\$16,120.00
IRW Law Offices	Attorneys	13.00	\$3,162.50	\$30.00	\$3,192.50	\$11,023.75	\$315.00
PDR CPAs + Advisors	Accountants	15.25	\$2,891.25	\$0.00	\$2,891.25	\$27,615.00	\$598.03
K. Tek Systems	Website	0.00	\$0.00	\$720.00	\$720.00	\$3,990.00	\$0.00
Marshall Swatt		0.00	\$0.00	\$0.00	\$0.00	\$8,475.00	\$0.00
Total		161.35	\$50,153.75	\$2,479.67	\$52,633.42	\$1,242,779.98	\$49,834.63

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	42.60	\$ 18,637.50
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00	51.80	\$ 15,281.00
Lauren Humphries	Litigation	Associate	2015	\$ 390.00	\$ 270.00	25.40	\$ 6,858.00
Tabitha Pellegrine	Labor & Employment	Paralegal		\$ 280.00	\$ 195.00	3.00	\$ 585.00
Total Fees							\$ 41,361.50
Less: Credit							\$ -
Total Expenses							\$ 244.67
Total						122.80	\$ 41,606.17

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	4.30	\$ 1,268.50
Shawna B. Amarnai	Director	10 years	\$ 350.00	\$ 295.00		\$ -
Christopher M. Cropley	Manager	12 years	\$ 300.00	\$ 245.00		\$ -
Nicole Escudero Duenas	Associate	6 years	\$ 245.00	\$ 245.00	6.00	\$ 1,470.00
Peter J. Tiano	Associate		\$195.00	\$ 195.00		\$ -
Santiago I. Carpio	Senior Associate		\$ 245.00	\$ 245.00		\$ -
Total Fees						\$ 2,738.50
Less Discount						\$ -
Total Expenses						\$ -
Total					10.30	\$ 2,738.50

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	4.00	\$ 1,280.00
Gail Heinold	Accounting Manager	20+	\$ 210.00	\$ 155.00	1.00	\$ 155.00
William E. Price	CPA	45+		\$ 335.00	0.75	\$ 251.25
Gail Heinold	Accounting Manager	20+		\$ 160.00	0.50	\$ 80.00
Tammy Warden	Staff Accountant			\$ 125.00	4.75	\$ 593.75
Sharon O'Brien	Staff Accountant	10+	\$ 150.00	\$ 125.00	0.80	\$ 100.00
Megan Justice	Staff Accountant	4+	\$ 150.00	\$ 125.00		\$ -
Shelly Spencer	Staff Accountant			\$125.00	3.45	\$ 431.25
Michael Yanchunis	Staff Accountant			\$125.00		\$ -
SGH				\$60.00		\$ -
Tracy Hess	Tax Manager	5+	\$ 225.00	\$ 210.00		\$ -
Total Fees						\$ 2,891.25
Less: Credit						0.00
Total Expenses						\$ -
Total					15.25	\$ 2,891.25

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	5.25	\$ 1,050.00
Zwindi Iglesias	Litigation	Attorney	2011		\$ 250.00	2.50	\$ 625.00
DK		Paralegal		\$ 150.00	\$ 150.00		\$ -
GD		Attorney		\$ 200.00	\$ 200.00	3.50	\$ 700.00
GD		Attorney			\$ 250.00	0.75	\$ 187.50
GD		Attorney			\$ 600.00	1.00	\$ 600.00
RB		Associate		\$ 150.00	\$ 150.00		\$ -
DR		Paralegal		\$ 150.00	\$ 150.00		\$ -
Total Fees							\$ 3,162.50
Less: Credit							\$ -
Total Expenses							\$ 30.00
Total						13.00	\$ 3,192.50

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

EXHIBIT “5f”

Name	Title	Standard Rate	Reduced Rate	Total Hours	Total Billed
Ron During	Principal	\$ 125.00	\$ 85.00		\$ -
Total Fees					\$ -
Less: Credit					\$ -
Total Expenses					\$ 720.00
Total				0	\$ 720.00

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

EXHIBIT “6a”



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

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

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

April 12, 2022
Invoice No. 12156090

INVOICE SUMMARY

For Professional Services Rendered:

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

Fees:	\$41,361.50
Disbursements:	<u>\$244.67</u>

Total Current Invoice:	\$41,606.17
-------------------------------	--------------------



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

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

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

April 12, 2022
Invoice No. 12156090

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	1/10/2022	B310	Review status of outstanding claim checks and confer with S.K. regarding change of custodian for future distributions.	0.30	88.50
J. D. Maglich	1/27/2022	B310	Review status of distribution checks to approved claimants in first interim distribution, draft and finalize notice of administrative revisions to investor claims, and prepare for filing.	1.00	295.00
J. D. Maglich	2/1/2022	B310	Exchange correspondence with S.C. regarding distribution check status and steps needed for re-issuance.	0.30	88.50
J. D. Maglich	3/11/2022	B310	Review request to change payee and confer with Receiver and PDR regarding status of other claim payee change requests.	0.50	147.50
J. D. Maglich	3/16/2022	B310	Exchange correspondence with S.C. regarding claim status	0.20	59.00
J. D. Maglich	3/17/2022	B310	Confer with S.C. regarding status of check re-issue request and advise regarding necessary procedure for same.	0.30	88.50
Subtotal Claims Administration and Objections				2.60	767.00
Case Administration					

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

Page 2
 April 12, 2022
 Invoice No. 12156090

Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	1/4/2022	B110	Review analyze prior analytics memos on Lendacy borrowers, and follow up substantial issues relating to third party actions and sale of apartments.	1.00	437.50
M. A. Kornfeld	1/12/2022	B110	Review analyze items from Q4 for inclusion into Q1 2022 Interim Report.	0.50	218.75
M. A. Kornfeld	1/12/2022	B110	Confer with J. Maglich regarding outstanding asset items and overall strategy for 2022 and timing and process for distributions to claimants.	0.30	131.25
L. Humphries	1/13/2022	B110	Drafted correspondence regarding false profits to net winners.	0.80	216.00
M. A. Kornfeld	1/18/2022	B110	Review, analyze emails and file relating to Puerto Rico legal actions and proceedings relating to sale of apartments.	0.50	218.75
J. D. Maglich	1/18/2022	B110	Review billing invoices, review and revise fee application, and confer with Receiver regarding same. (NO CHARGE)	1.50	N/C
J. D. Maglich	1/26/2022	B110	Review recent filings and begin drafting Eighth Interim Report.	1.60	472.00
M. A. Kornfeld	1/27/2022	B110	Emails, review, direct team regarding assets and sale of apartments.	0.40	175.00
M. A. Kornfeld	1/27/2022	B110	Review analyze settlement with T.M.	0.40	175.00
L. Humphries	1/31/2022	B110	Attendance at phone conference with T.M.	0.20	54.00
J. D. Maglich	1/31/2022	B110	Revise and finalize Eighth Interim Report and prepare for filing.	1.40	413.00
L. Humphries	1/31/2022	B110	Conference with T.M. regarding release terms issues.	0.50	135.00
L. Humphries	1/31/2022	B110	Draft edits to Settlement Agreement for T.M.	0.50	135.00
M. A. Kornfeld	2/7/2022	B110	Conference call with J. Maglich and Puerto Rico counsel regarding legal issues concerning sale of apartments, review emails and back and forth with broker regarding same.	0.70	306.25
M. A. Kornfeld	2/7/2022	B110	Review draft letters and email analysis from J. Maglich regarding clawback communications.	0.40	175.00
M. A. Kornfeld	2/7/2022	B110	Confer with L. Humphries, review execute settlement agreement.	0.40	175.00

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

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 April 12, 2022
 Invoice No. 12156090

Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	2/9/2022	B110	Revise and finalize Eighth Fee Application and prepare for filing (NO CHARGE) .	1.50	N/C
T. A. Pellegrine	2/9/2022	B110	Reviewed purchase agreement for Villa Gabriela, special power of attorney for Mark Kornfeld, apostille and notarial certificate along with email from Attorney Zwinda M. Iglesias regarding completion of notarial certificate and execution of power of attorney; Coordinated execution and transmittal of documents to Puerto Rico.	0.60	117.00
T. A. Pellegrine	2/11/2022	B110	Reviewed letter from Mr. Iglesias regarding purchase agreement, apostille and special power of attorney.	0.20	39.00
T. A. Pellegrine	2/11/2022	B110	Prepared package of materials for submission to Division of Corporation and Mr. Iglesias of IRW Law Firm.	0.30	58.50
T. A. Pellegrine	2/11/2022	B110	Reviewed invoice of CiPilot by Pai and prepared invoice for execution and transmittal to Plan Administrators.	0.20	39.00
T. A. Pellegrine	2/11/2022	B110	Secured execution and notarized special power of attorney.	0.20	39.00
T. A. Pellegrine	2/11/2022	B110	Prepared letter to Division of Corporation regarding submission and transmittal to IRW Law Firm.	0.20	39.00
T. A. Pellegrine	2/11/2022	B110	Secured execution and prepared materials for transmittal and recording of payment.	0.40	78.00
T. A. Pellegrine	2/11/2022	B110	Reviewed Special Power of Attorney for Mr. Kornfeld including translation of Spanish prior to notarization.	0.20	39.00
T. A. Pellegrine	2/11/2022	B110	Reviewed letter and materials from Mr. Iglesias regarding documents to be prepared and transmitted to Florida Division of Corporation.	0.50	97.50
T. A. Pellegrine	2/11/2022	B110	Reviewed purchase agreement revisions for finalization. (NO CHARGE)	0.20	N/C
T. A. Pellegrine	2/11/2022	B110	Prepared Apostille.	0.20	39.00
M. A. Kornfeld	2/24/2022	B110	Emails, review Motion for Settlement on Reappointment as Receiver, emails with the SEC and J. Maglich and Mr. Williams regarding same.	1.00	437.50

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

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 April 12, 2022
 Invoice No. 12156090

Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	2/28/2022	B110	Drafted correspondence to P. Conant regarding claimant R. E..	0.40	108.00
J. D. Maglich	3/3/2022	B110	Review January and February invoices for upcoming Fee Application. (NO CHARGE)	1.00	N/C
J. D. Maglich	3/16/2022	B110	Begin drafting Interim Report and review recent case filings and documents	2.50	737.50
M. A. Kornfeld	3/16/2022	B110	Review, analyze recent emails discussions relating to distributions and outline open questions for discussion with J. Maglich regarding apartments, approvals, motions, power of attorney, zephyr, other claims, recent correspondence from claimant.	1.50	656.25
J. D. Maglich	3/17/2022	B110	Continue drafting Interim Report.	1.20	354.00
L. Humphries	3/21/2022	B110	Strategy phone conference regarding response to Paul Conant and other Lendacy claimants.	0.30	81.00
J. D. Maglich	3/28/2022	B110	Meet with Receiver and L. Humphries regarding case status.	1.50	442.50
L. Humphries	3/29/2022	B110	Review and analysis of YIP information in preparation of updated report to Receiver on outstanding claims.	1.00	270.00
M. A. Kornfeld	3/29/2022	B110	Emails, confer with J. Maglich, L. Humphries, broker, counsel throughout day regarding documents, taxes, fees, power of attorney	1.50	656.25
M. A. Kornfeld	3/30/2022	B110	Review analyze prior "turnover" order and assess other arguments based on SEC proceeding against Mr. Williams.	1.50	656.25
J. D. Maglich	3/31/2022	B110	Begin drafting Fee Application (NO CHARGE)	1.00	N/C
L. Humphries	3/31/2022	B110	Review and analysis of Motion to Approve Private Sale and Notice of Sale to file with Court.	0.70	189.00
L. Humphries	3/31/2022	B110	Drafted correspondence to Receiver regarding issue with payment plan of claimant.	0.20	54.00
Subtotal Case Administration				31.10	8,664.75

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Business Operations					
J. D. Maglich	1/24/2022	B210	Confer with B. Price regarding update to termination of PAI plan.	0.20	59.00
J. D. Maglich	1/27/2022	B210	Confer with B. Price regarding termination of PAI plan.	0.30	88.50
J. D. Maglich	2/3/2022	B210	Exchange correspondence with B. Price regarding termination of PAI plan.	0.50	147.50
J. D. Maglich	2/8/2022	B210	Confer with B. Price regarding status of termination of PAI plan.	0.20	59.00
J. D. Maglich	2/10/2022	B210	Exchange correspondence with B. Price, Receiver, and T. Pellegrine regarding preparation and transmittal of PAI termination invoice and check.	0.50	147.50
J. D. Maglich	3/8/2022	B210	Review tax notice, confer with PDR and Receiver, and coordinate payment of same.	0.50	147.50
J. D. Maglich	3/10/2022	B210	Review IRS invoice and check and direct issuance of check to satisfy invoice	0.20	59.00
Subtotal Business Operations				2.40	708.00
Asset Analysis and Recovery					
J. D. Maglich	1/4/2022	B120	Review status of T.M. negotiations and confer with L. Humphries and Receiver regarding same.	0.30	88.50
M. A. Kornfeld	1/5/2022	B120	Review analyze communications with broker and J. Maglich regarding sale of apartments, legal, administrative and marketing issues.	0.50	218.75
J. D. Maglich	1/10/2022	B120	Confer with F. Cervoni regarding Villa Gabriella correspondence and outstanding fees.	0.30	88.50
L. Humphries	1/12/2022	B120	Draft edit to Settlement Documents for recipients of Kinetic funds to be approved by Court prior to execution.	1.50	405.00
J. D. Maglich	1/14/2022	B120	Telephone call with L. Humphries regarding asset collection and third party demand letters.	0.40	118.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	1/14/2022	B120	Phone conference regarding status of settlement agreements for loan recipients.	0.40	108.00
J. D. Maglich	1/20/2022	B120	Review and revise draft settlement agreements with T.M. and M.R. and exchange correspondence with L. Humphries regarding same.	0.80	236.00
M. A. Kornfeld	1/24/2022	B120	Review Villa Gabriella emails concerning state of administrative and judicial proceedings and next steps for sale of apartments.	0.50	218.75
L. Humphries	1/24/2022	B120	Drafted correspondence regarding draft language of proposed Settlement Agreements.	0.10	27.00
L. Humphries	1/24/2022	B120	Preparation of edits to Settlement Agreement regarding T.M. and M. Reynolds.	0.50	135.00
M. A. Kornfeld	1/25/2022	B120	Communications with J. Maglich regarding asset recovery efforts and apartments to be sold.	0.20	87.50
M. A. Kornfeld	1/26/2022	B120	Confer with J. Maglich and emails with broker, regarding timing and next steps.	0.50	218.75
M. A. Kornfeld	1/26/2022	B120	Review, emails, comments regarding customer settlement.	0.50	218.75
J. D. Maglich	1/26/2022	B120	Review demand letters to third parties for false profits, confer with L. Humphries regarding same, and exchange correspondence with H. Levenberg regarding exhibits to letters.	1.00	295.00
J. D. Maglich	1/26/2022	B120	Exchange correspondence with B. Rivera regarding status of listing Villa Gabriella.	0.30	88.50
L. Humphries	1/27/2022	B120	Preparation of edits regarding draft Settlement Agreements for borrowers.	0.70	189.00
J. D. Maglich	1/27/2022	B120	Telephone call with H. Levenberg and N. Escudero regarding preparation of exhibits to demand letters.	0.50	147.50
J. D. Maglich	1/27/2022	B120	Draft motion to approve settlement with T.M. and confer with Receiver regarding same.	1.80	531.00
L. Humphries	1/27/2022	B120	Drafted correspondence to T.M. regarding settlement.	0.20	54.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	1/28/2022	B120	Telephone and email correspondence with H. Levenberg and N. Escudero regarding third-party demand letters.	0.50	147.50
L. Humphries	1/28/2022	B120	Draft correspondence to T.M. regarding the Settlement Agreement.	0.10	27.00
J. D. Maglich	1/28/2022	B120	Review and revise settlement agreement with T.M. and exchange correspondence with L. Humphries regarding same.	0.40	118.00
L. Humphries	1/28/2022	B120	Phone conference with T.M. regarding payment of settlement proceeds and terms of settlement agreement.	0.70	189.00
J. D. Maglich	1/31/2022	B120	Exchange correspondence with B. Rivera and Puerto Rico local counsel regarding status of title issue with Villa Gabriella and listing strategy.	0.30	88.50
L. Humphries	2/1/2022	B120	Drafted various correspondence to T.M. regarding changes to Settlement Agreement.	0.20	54.00
L. Humphries	2/1/2022	B120	Drafted update correspondence to the Receiver regarding status of Settlement Agreements.	0.20	54.00
M. A. Kornfeld	2/1/2022	B120	Emails confer with J. Maglich regarding TM settlement and sale of buildings.	0.50	218.75
J. D. Maglich	2/1/2022	B120	Confer with L. Humphries regarding T.M. settlement agreement and next steps.	0.20	59.00
L. Humphries	2/1/2022	B120	Review and evaluated executed Settlement Agreement from T.M. and related correspondence.	0.30	81.00
M. A. Kornfeld	2/2/2022	B120	Analysis, review emails and pleadings regarding title transfer and draft PSA for sale of apartments and maximizing value.	1.00	437.50
J. D. Maglich	2/2/2022	B120	Confer with Puerto Rico local counsel regarding listing of Villa Gabriela property, review Court documents approving transfer of title and cancellation of mortgage, and begin preparing template purchase agreement to be distributed to potential buyers.	2.00	590.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	2/4/2022	B120	Review, analyze prior emails and work product summaries of certain transferees relating to possible clawbacks, and demand letters.	1.00	437.50
L. Humphries	2/7/2022	B120	Draft demand correspondence regarding false profits for various claimants.	1.50	405.00
J. D. Maglich	2/7/2022	B120	Telephone and email correspondence with Puerto Rico local counsel regarding status of title and mortgage issues for Villa Gabriela and process for selling real estate once under contract.	1.00	295.00
J. D. Maglich	2/7/2022	B120	Exchange numerous correspondence with B. Rivera and Receiver regarding status of Villa Gabriela listing and review of marketing materials	0.80	236.00
J. D. Maglich	2/7/2022	B120	Review and finalize third-party demand letters and confer with L. Humphries regarding same.	0.50	147.50
J. D. Maglich	2/8/2022	B120	Exchange correspondence with Z. Iglesias regarding documents in preparation of sale of Villa Gabriela and process to obtain Power of Attorney from Receiver.	0.40	118.00
M. A. Kornfeld	2/8/2022	B120	Review analyze emails documents and the follow up to 2/7 phone conference on process and next steps to sell assets.	1.00	437.50
J. D. Maglich	2/9/2022	B120	Confer with Receiver and T. Pellegrine regarding execution of power of attorney necessary for future Villa Gabriela sale.	0.30	88.50
J. D. Maglich	2/9/2022	B120	Telephone and email correspondence with Z. Iglesias regarding outstanding tax issues for Villa Gabriela property and confer with Receiver regarding CRIM amnesty program.	1.00	295.00
M. A. Kornfeld	2/9/2022	B120	Emails review analysis relating to clawback letters and correspondence with brokers and counsel on Puerto Rico requirements and processes to sell apartments.	1.00	437.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	2/10/2022	B120	Emails throughout day regarding title, marketing, listing, maintenance and other next steps to ready apartments for sale and the bidding process regarding same.	0.50	218.75
M. A. Kornfeld	2/11/2022	B120	Review, execute papers for settlements.	0.20	87.50
J. D. Maglich	2/11/2022	B120	Email correspondence with counsel for Villa Gabriela regarding outstanding maintenance and financial obligations.	0.40	118.00
M. A. Kornfeld	2/11/2022	B120	Confer with J. Maglich, review comments to emails relating to sale of apartments, distributions and other assets.	0.80	350.00
J. D. Maglich	2/11/2022	B120	Exchange correspondence with B. Rivera and Receiver regarding status of listing Villa Gabriela.	0.40	118.00
M. A. Kornfeld	2/14/2022	B120	Emails with team regarding asset sale processes.	0.30	131.25
J. D. Maglich	2/15/2022	B120	Confer with B. Rivera regarding marketing materials for Villa Gabriela and status of listing.	0.30	88.50
L. Humphries	2/15/2022	B120	Review and analysis of response correspondence from claimants who received false profits demand letters.	0.20	54.00
J. D. Maglich	2/15/2022	B120	Confer with L. Humphries regarding responses to demand letters and request for additional time.	0.30	88.50
M. A. Kornfeld	2/16/2022	B120	Review emails and process for bidding on Villa Gabriela apartments and confer with J. Maglich regarding same.	0.50	218.75
M. A. Kornfeld	2/17/2022	B120	Review, analyze, comments to marketing and other materials regarding sale of apartments.	0.20	87.50
J. D. Maglich	2/18/2022	B120	Exchange email correspondence with B. Rivera regarding update on marketing and sale of Villa Gabriela units.	0.30	88.50
M. A. Kornfeld	2/18/2022	B120	Review ongoing communications relating to sale of apartments.	0.20	87.50
L. Humphries	2/18/2022	B120	Drafted correspondence to T.M. regarding status of settlement; Receipt and review of correspondence regarding same.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	2/18/2022	B120	Review and analysis of draft motion to approve executed settlement agreement for false profits of claimant.	0.20	54.00
M. A. Kornfeld	2/21/2022	B120	Review emails and marketing info, listings ongoing strategic measures relating to sale of apartments.	0.50	218.75
J. D. Maglich	2/22/2022	B120	Exchange multiple correspondence with B. Rivera regarding status of listing Villa Gabriella and showings to potential buyers, and update and revise website to reflect listing of Villa Gabriella.	0.80	236.00
M. A. Kornfeld	2/22/2022	B120	Emails, updates throughout day regarding on going efforts to sell apartments and process for bids and next steps.	0.50	218.75
J. D. Maglich	2/23/2022	B120	Exchange correspondence with B. Rivera regarding recent showings of Villa Gabriela and related feedback and confer with Receiver regarding same.	0.30	88.50
J. D. Maglich	2/23/2022	B120	Confer with L. Humphries regarding status of responses to demand letters to potential net winners.	0.30	88.50
M. A. Kornfeld	2/23/2022	B120	Review, analyze emails with broker, J. Maglich regarding sale process, "as is" status of apartments, cost of potential repairs, maximizing sale value for estate, potential distribution to claimants.	0.50	218.75
J. D. Maglich	2/23/2022	B120	Review status of items from office and storage unit and disposition strategy.	0.50	147.50
J. D. Maglich	2/24/2022	B120	Review status of third party asset collection efforts and confer with Receiver, draft motion for reappointment of Receiver, and engage in telephone and email correspondence with counsel for SEC and Mr. Williams.	2.80	826.00
L. Humphries	2/24/2022	B120	Preparation of edits to draft Motion for Court approval of Settlement Agreement and Motion for Reappointment	0.50	135.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	2/24/2022	B120	Revise and finalize motion to approve settlement with T.M. and exchange correspondence with counsel for SEC and Mr. Williams	0.50	147.50
J. D. Maglich	2/25/2022	B120	Telephone correspondence with owner of Villa Gabriela unit regarding apartment maintenance issues and confer with Receiver regarding same.	0.70	206.50
J. D. Maglich	2/25/2022	B120	Telephone and email correspondence with Receiver regarding motion to reappoint receiver, status of potential third party collection efforts, and motion to approve settlement with T.M.	1.00	295.00
M. A. Kornfeld	2/25/2022	B120	Emails regarding settlement papers and apartment complex issues.	0.40	175.00
J. D. Maglich	2/25/2022	B120	Review correspondence from counsel for R.E. regarding demand letter and confer with Receiver and Lauren Humphries regarding same.	0.80	236.00
J. D. Maglich	2/25/2022	B120	Review correspondence from Commission regarding position on motion to approve settlement with T.M.	0.20	59.00
L. Humphries	2/25/2022	B120	Preparation of correspondence to T.M. regarding update on status of court approval for settlement agreement.	0.10	27.00
L. Humphries	2/25/2022	B120	Review and analysis of correspondence and request for counsel P. Conant for claimant R.E.	0.20	54.00
L. Humphries	2/25/2022	B120	Drafted correspondence to M.R. regarding settlement agreement language.	0.20	54.00
L. Humphries	2/28/2022	B120	Drafted update to Settlement Agreement with M.R. regarding language.	0.30	81.00
L. Humphries	2/28/2022	B120	Exchanged various correspondence with M.R. regarding language of proposed settlement agreement and release for payment of Lendacy claim.	0.40	108.00
J. D. Maglich	2/28/2022	B120	Revise and finalize motion to approve settlement with T.M. and prepare for filing.	0.80	236.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	2/28/2022	B120	Review, analyze recent prior communications on settlements with borrowers, sale of apartments, next steps, other assets.	0.50	218.75
J. D. Maglich	2/28/2022	B120	Exchange correspondence with L. Humphries regarding resolution of outstanding debt repayment by M.R. and strategize regarding same.	0.80	236.00
M. A. Kornfeld	3/1/2022	B120	Review emails relating to "as is" potential sale of apartments.	0.40	175.00
J. D. Maglich	3/2/2022	B120	Review correspondence from A. Sharp regarding E-Hounds invoice and billing to Williams and confer with Receiver regarding same. (NO CHARGE)	0.30	N/C
J. D. Maglich	3/2/2022	B120	Review documentation from owner of Villa Gabriela unit regarding potential damages and confer with Receiver regarding same	0.80	236.00
M. A. Kornfeld	3/2/2022	B120	Emails, review, respond to inquiries and documents from L. Humphries on settlement with a Lendacy borrower, confer with J. Maglich regarding same and apartments sale.	1.00	437.50
M. A. Kornfeld	3/3/2022	B120	Review, analyze, respond to prior emails, advise J. Maglich regarding legal indemnities, representations and warranties, issues to be addressed at apartments to be sold.	0.80	350.00
M. A. Kornfeld	3/4/2022	B120	Review, analyze emails with to broker, J. Maglich regarding update on marketing efforts and repairs and bidding processes.	0.50	218.75
L. Humphries	3/4/2022	B120	Drafted various correspondence to M. R. regarding payment terms for Lendacy loan.	0.20	54.00
J. D. Maglich	3/4/2022	B120	Draft correspondence to B. Rivera regarding status of showing of Villa Gabriela property.	0.20	59.00
L. Humphries	3/4/2022	B120	Assessed settlement agreement payment terms for update to judgment language.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
J. D. Maglich	3/9/2022	B120	Confer with Receiver and Puerto Rico broker regarding status of Villa Gabriela listing, list of potential repairs, and status of outstanding interest buyers interest.	1.00	295.00
J. D. Maglich	3/10/2022	B120	Review and exchange correspondence with Puerto Rico broker regarding potential repairs to property and status of sale process, and confer with Receiver regarding same.	0.50	147.50
M. A. Kornfeld	3/10/2022	B120	Confer with J. Maglich, emails with agents regarding strategy and process for bids and approach on sale of apartments.	0.50	218.75
M. A. Kornfeld	3/11/2022	B120	Review, analyze respond to discussions with agent relating to updated offers on apartments and next steps as to process for monetizing assets, filings, and review and analyze prior papers and agreements for sale of bank and various contract forms of "as is" reps and warranties language in purchase and sale agreements and closing documents.	1.50	656.25
J. D. Maglich	3/11/2022	B120	Revise and finalize Villa Gabriela template purchase agreement and exchange multiple emails with Receiver and Puerto Rico real estate agent regarding status of offers and showings.	1.00	295.00
L. Humphries	3/14/2022	B120	Assessed information regarding false profit demand letters to prepare appropriate response.	1.40	378.00
J. D. Maglich	3/15/2022	B120	Exchange correspondence with Puerto Rico real estate agent regarding status of offers, listing period, and next steps.	0.40	118.00
M. A. Kornfeld	3/15/2022	B120	Review, analyze emails throughout day regarding sale of apartments.	0.40	175.00
M. A. Kornfeld	3/17/2022	B120	Emails, analysis regarding next steps on power of attorney and other issues to be resolved to sell and monetize apartments for claimants.	0.40	175.00
J. D. Maglich	3/17/2022	B120	Begin drafting motion to approve private sale of Villa Gabriela properties.	2.80	826.00

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L. Humphries	3/18/2022	B120	Preparation of correspondence to P. Conant regarding issues with payment from his client.	0.20	54.00
L. Humphries	3/18/2022	B120	Preparation of updated Settlement Agreement for M. S.	0.60	162.00
J. D. Maglich	3/18/2022	B120	Continue drafting motion to approve private sale of Villa Gabriela properties.	2.00	590.00
L. Humphries	3/18/2022	B120	Review and analysis of correspondence from counsel for R.E.	0.30	81.00
M. A. Kornfeld	3/21/2022	B120	Review, analyze bids and offers and purchase sale documents and substantive language for representations and warranties for apartments and necessary "as is" liability releases and disclaimers.	1.50	656.25
L. Humphries	3/21/2022	B120	Attendance at phone conference with M.S. regarding payment plan.	0.40	108.00
L. Humphries	3/21/2022	B120	Drafted correspondence to Conant regarding claim of his client.	0.20	54.00
M. A. Kornfeld	3/22/2022	B120	Review, analyze respond to emails and history relating to offers on apartments and direct broker and counsel on next steps.	0.50	218.75
J. D. Maglich	3/22/2022	B120	Correspondence with Puerto Rico listing agent and Receiver regarding status of offers for Villa Gabriela property.	0.50	147.50
M. A. Kornfeld	3/23/2022	B120	Review, analyze, comments draft papers for sale of apartments.	1.00	437.50
J. D. Maglich	3/23/2022	B120	Confer with Puerto Rico local counsel regarding status of power of attorney and real estate taxes.	0.30	88.50
J. D. Maglich	3/23/2022	B120	Review offers for Villa Gabriela properties, confer with Receiver, and continue drafting motion to approve sale of properties.	1.00	295.00
M. A. Kornfeld	3/24/2022	B120	Multiple emails, call with L. Humphries and review communications with broker and J. Maglich regarding HOA fees.	1.30	568.75
M. A. Kornfeld	3/24/2022	B120	Review, analyze comments to sale of apartments motion; review prior motions relating to sale of building.	1.40	612.50

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J. D. Maglich	3/24/2022	B120	Continue drafting motion to approve sale of properties and associated exhibits and confer with Puerto Rico listing agent and Receiver regarding same.	2.00	590.00
L. Humphries	3/24/2022	B120	Phone conference with Receiver regarding upcoming reports to Court.	0.30	81.00
L. Humphries	3/24/2022	B120	Strategy meeting with J. Maglich and the Receiver.	1.00	270.00
L. Humphries	3/25/2022	B120	Assessed Order from court on Settlement Agreement of T.M..	0.10	27.00
L. Humphries	3/25/2022	B120	Preparation of various correspondence to T.M. regarding Settlement Agreement.	0.20	54.00
L. Humphries	3/25/2022	B120	Review and analysis of information regarding transfer of estate accounts, sale of real property, approval of claimant settlement agreements, and correspondence with Receiver on various items.	1.40	378.00
J. D. Maglich	3/25/2022	B120	Review Order on motion to approve pre-suit settlement and confer with Receiver regarding same.	0.30	88.50
J. D. Maglich	3/28/2022	B120	Finalize motion to approve sale of Villa Gabriela and draft meet and confer correspondence regarding same.	0.50	147.50
L. Humphries	3/28/2022	B120	Conference with Receiver regarding next steps in future claimant distribution, agreements with third parties, and for Interim Report to Court.	1.50	405.00
M. A. Kornfeld	3/28/2022	B120	Meeting emails throughout day with J. Maglich, L. Humphries regarding sale of apartments and parking spaces, timing, possible objections to same, payment of taxes and fees, filing of next Interim Report, Zephyr equity investment, claims, overall strategy and ongoing administration of estate, planned for distributions, banking.	2.50	1093.75
L. Humphries	3/28/2022	B120	Review and analysis of various Motions for Court including Order on Villa Gabriel Property.	2.80	756.00

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L. Humphries	3/29/2022	B120	Preparation of various correspondence to claimants regarding debts owed.	0.50	135.00
J. D. Maglich	3/30/2022	B120	Confer with Puerto Rico local counsel regarding motion to sell Villa Gabriela and payment of delinquent taxes incurred by Mr. Williams and confer with B. Rivera regarding same	0.80	236.00
M. A. Kornfeld	3/30/2022	B120	Emails from brokers, advisors analysis with and to J. Maglich, throughout day, regarding motion to sell apartments, objections to same, payment of house taxes, HOA fees, distributions, settlements, next steps.	2.00	875.00
L. Humphries	3/30/2022	B120	Receipt and review of various correspondence from T.M.	0.20	54.00
J. D. Maglich	3/31/2022	B120	Revise and finalize motion to approve sale of Villa Gabriela.	0.50	147.50
L. Humphries	3/31/2022	B120	Attendance at phone conference with Paul Conant.	0.40	108.00
M. A. Kornfeld	3/31/2022	B120	Emails, confer with J. Maglich regarding motion to sell properties.	0.50	218.75
Subtotal Asset Analysis and Recovery				87.70	29,253.00
Administration					
M. A. Kornfeld	1/31/2022	B100	Review, emails, photos with broker, Puerto Rico counsel and ongoing judicial issues relating to sale of apartments.	0.30	131.25
M. A. Kornfeld	1/31/2022	B100	Analyze agreements of settling with TM.	0.50	218.75
M. A. Kornfeld	3/8/2022	B100	Review emails from advisor and counsel relating to taxes filings, and amounts due and owing by Receivership estate.	0.40	175.00
M. A. Kornfeld	3/9/2022	B100	Emails, confer throughout day with J. Maglich, broker tax advisor regarding strategy and filings, forms and issues surrounding sale of apartment, processes, bids, timeline.	1.00	437.50
M. A. Kornfeld	3/11/2022	B100	Review, emails, analysis of claimants inquiries regarding distribution.	0.20	87.50

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 Invoice No. 12156090

Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	3/25/2022	B100	Emails regarding banking privileges and authorizations relating to same.	0.20	87.50
M. A. Kornfeld	3/25/2022	B100	Review, analyze prior communications and updates and emails and prior asset sale motions regarding motion to sell apartments and 2.1m offer.	1.50	656.25
M. A. Kornfeld	3/25/2022	B100	Review, respond to emails regarding timing for claimant settlement payments.	0.40	175.00
Subtotal Administration				4.50	1,968.75
Total Hours				128.30	
Total Fees					\$41,361.50

DESCRIPTION OF COSTS

	Description	Amount
01/01/22	Internet Domain Name Renewal	70.00
02/07/22	Postage - M. A. Kornfeld	103.24
02/09/22	SEC/Kinetic - Villa Gabriela sale	10.00
02/11/22	Postage - M. A. Kornfeld	53.90
03/18/22	Postage - M. A. Kornfeld	7.53
Total Costs		\$244.67

Amount Due This Invoice:	\$41,606.17
---------------------------------	--------------------

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

Page 18
April 12, 2022
Invoice No. 12156090

TIMEKEEPER SUMMARY

Name	Title	Hours	Rate	Amount
T. A. Pellegrene	Paralegal	3.00	195.00	585.00
T. A. Pellegrene	Paralegal	0.20	N/C	N/C
L. Humphries	Associate	25.40	270.00	6,858.00
J. D. Maglich	Counsel	51.80	295.00	15,281.00
J. D. Maglich	Counsel	5.30	N/C	N/C
M. A. Kornfeld	Partner	42.60	437.50	18,637.50
Total		128.30		41,361.50



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

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

REMITTANCE STATEMENT

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

April 12, 2022
Invoice No. 12156090

Our Reference:	0103373-000001
Client Name:	MARK KORNFELD, RECEIVER
Invoice Date:	April 12, 2022
Invoice Number:	12156090
Total Due This Invoice:	\$41,606.17

Total Due All Invoices For this Matter:	\$41,606.17
--	--------------------

**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: 12156090

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: 31120
 Date: April 5, 2022
 Matter ID: 291.0001

Re: Kinetic Investment Group, LLC

For Professional Services Rendered January 1, 2022 through March 31, 2022.

Date	Initials	Description	Hours	Rate	Amount
01/14/2022	HAL	Reviewed and updated schedules requested by Receiver's counsel.	1.6	\$295	\$ 472.00
01/14/2022	NED	Conference call with Receiver's counsel re: schedules needed.	0.3	\$245	\$ 73.50
01/26/2022	NED	Assisted counsel with preparation of exhibits to letters for Maurer, Ferre, Foster and G. Wiecek (IRA) (1.2); researched Eaves, Diaz and Sinksi investments (.3); prepared response to J. Maglich (.2).	1.7	\$245	\$ 416.50
01/27/2022	HAL	Meeting with J. Maglich and NED re: net winners and exhibits needed (.5); reviewed and updated schedules for net winners (1.2); discussion with NED re: investments made by Eaves, Sinksi, and Diaz (.4).	2.1	\$295	\$ 619.50
01/27/2022	NED	Meeting with HAL and J. Maglich (.5); continued to prepare exhibits to letters for Maurer, Ferre, Foster and G. Wiecek (IRA) (.7); researched investments made by Eaves, Sinksi and Diaz (.7); discussion with HAL re: same (.4).	2.3	\$245	\$ 563.50



Invoice Number: 31120
Matter ID: 291.0001

Date	Initials	Description	Hours	Rate	Amount
01/28/2022	HAL	Meeting with NED and J. Maglich re: finalized net winner schedules.	0.6	\$295	\$ 177.00
01/28/2022	NED	Meeting with HAL and J. Maglich re: finalized net winner schedules (.6); completed schedules for investments by Eaves, Sinski and Diaz (1.1).	1.7	\$245	\$ 416.50
Total Fees			10.3		\$ 2,738.50
Total Amount Due					\$ 2,738.50

Please remit payment by mail to:

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

Or, via wire transfer to:

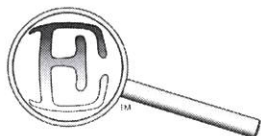
ABA Number: FIRST HORIZON BANK
165 Madison Avenue
Memphis, TN 38103
84000026

FIRST HORIZON BANK Credit Account Information
FHB Customer Name: **YIPCPA, LLC d/b/a YIP ASSOCIATES**
FHB Account Number: **4400000149**
Amount of Wire: **\$2,738.50**

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
01/01/2022	01/31/2022	31920	\$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	01/05/2022		E-Hounds Review® Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

SUBTOTAL

\$495.00**Payments Applied**

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TOTAL

\$495.00**Balance Due****\$495.00**

Retainer Amount Remaining

\$0.00

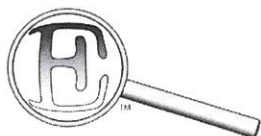
Please note: Our fees are subject to change annually. Last change: 1/2/2021

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
02/01/2022	02/28/2022	32987	\$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	02/05/2022		E-Hounds Review Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

SUBTOTAL

\$495.00**Payments Applied**

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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:





Invoice for Services

All funds payable to:

E-Hounds, Inc.

32815 US 19 North Suite 100

Palm Harbor, Florida 34684

support@ehounds.com (727) 726-8985

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
03/01/2022	03/31/2022	34065	\$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	03/05/2022		E-Hounds Review Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

SUBTOTAL

\$495.00

Payments Applied

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TOTAL

\$495.00**Balance Due****\$495.00**

Retainer Amount Remaining

\$0.00

Please note: Our fees are subject to change annually. Last change: 2/1/2022

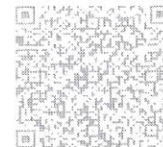
Statement of Limited Liability and Financial Responsibility

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:

Venmo: @ehounds

Zelle: support@ehounds.com



venmo



PayPal

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-gpa.com



Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
January 1, 2022 through January 31, 2022

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
1/10/2022	Consulting	WEP	Follow up on Retirement Plan	0.75	\$ 320.00	\$ 240.00
1/17/2022	Consulting	WEP	Review and sign off on FCAR 4th quarter 2021 Court Reports	1.00	\$ 320.00	\$ 320.00
	Total Consulting			1.75		\$ 560.00
1/17/2022	Accounting & Auditing	SRS	Prepared FCAR reporting for 4th quarter 2021	3.45	\$ 125.00	\$ 431.25
1/13/2022	Accounting & Auditing	GAH	Reviewed FCAR reporting for 4th quarter 2021 & various emails	0.75	\$ 155.00	\$ 116.25
1/27/2022	Accounting & Auditing	SAO	Reviewed emails and discussed with GAH	0.20	\$ 125.00	\$ 25.00
	Total Accounting & Auditing			4.40		\$ 572.50

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

6.15 **\$ 1,132.50**



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
February 1, 2022 through February 28, 2022

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
2/8/2022	Consulting	WEP	Closed out 401(k) plan	1.75	\$ 320.00	\$ 560.00
2/22/2022	Consulting	WEP	Followed up on 401(k)	0.50	\$ 320.00	\$ 160.00
	Total Consulting			2.25		\$ 720.00
2/7/2022	Accounting & Auditing	GAH	Reviewed backup and printed check	0.25	\$ 155.00	\$ 38.75
2/7/2022	Accounting & Auditing	SAO	Updated accounting records	0.30	\$ 125.00	\$ 37.50
2/10/2022	Accounting & Auditing	GAH	The rate was missing so there is \$0.00	0.50	\$ -	\$ -
2/10/2022	Accounting & Auditing	TMW	Pulled bank statements (22 accounts); entered missing and reconciled all accounts	2.50	\$ 125.00	\$ 312.50
2/21/2022	Accounting & Auditing	TMW	Reviewed January 2022 financials	0.25	\$ 125.00	\$ 31.25
	Total Accounting & Auditing			3.80		\$ 420.00

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

6.05

\$ 1,140.00



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

Mark A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC
March 1, 2022 through March 31, 2022

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
3/8/2022	Consulting	WEP	Reviewed accounting and IRS Form 5500	0.75	\$ 335.00	\$ 251.25
	Total Consulting			0.75		\$ 251.25
3/8/2022	Accounting & Auditing	SAO	Printed check for IRS	0.30	\$ 125.00	\$ 37.50
3/10/2022	Accounting & Auditing	TMW	Reviewed financials and reconciled bank statements	1.25	\$ 125.00	\$ 156.25
3/11/2022	Accounting & Auditing	GAH	Reviewed claimant check reports with TMW	0.25	\$ 160.00	\$ 40.00
3/11/2022	Accounting & Auditing	TMW	Reviewed claimant check reports with GAH	0.25	\$ 125.00	\$ 31.25
3/30/2022	Accounting & Auditing	GAH	Reviewed checks	0.25	\$ 160.00	\$ 40.00
3/30/2022	Accounting & Auditing	TMW	Printed checks; followed up client regarding missing information	0.50	\$ 125.00	\$ 62.50
	Total Accounting & Auditing			2.80		\$ 367.50
Total Mark. A. Kornfeld, Esq. Receiver for Kenetic Investment, LLC				3.55		\$ 618.75

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: 7877750824

Number	201905128
Issue Date	4/11/2022
Due Date	4/26/2022
Email	Jordan.Maglich@bipc.com

Bill To:

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

Flat Fees

Flat Fees	Billed By	Price	Qty	Sub
Senior Attorney GD Notarial fees for Deed of Protocolization of Special Power of Attorney, Re: Drafting of Special Power of Attorney, Authorization, stamps and vouchers, notification to the Registry of Powers.	GDIAZ	\$600.00	1.00	\$600.00
Flat Fees Total:			1.00	\$600.00

Time Entries

Time Entries		Hours	Sub
Senior Attorney GD 1/18/2022 Check electronic case filing (SUMAC), and call with Erika Morales, Esq. Re: for status on both mortgage cancellation cases and recording in the Property Registry.	\$200.00	0.50	\$100.00
Senior Attorney GD 1/19/2022 Receive email from Erika Morales, Esq. with filing receipt of mortgage cancellation from the Property Registry. Re: Property #5229 Gabriela's House.	\$200.00	0.25	\$50.00
Senior Attorney GD 1/31/2022 Receive email from Erika Morales, Esq., with filing receipt of mortgage cancellation for the Property Registry, re: Property #5231 Gabriela's House. Reply requesting receipt for property #5232.	\$200.00	0.25	\$50.00
Senior Attorney GD 2/2/2022 Send various emails to Jordan Maglich with copy of Filing Receipts, Order and Writ, Re: Cancellation of Mortgages for Villa Gabriela Properties. Look up on KARIBE filed cancellations to confirm presentation in all affected properties. Receive email to review Purchase Agreement.	\$200.00	0.50	\$100.00
Senior Attorney ZI 2/3/2022 Receive email from client with Villa Gabriela Template Purchase Agreement. Review agreement as requested by client and send email to client.	\$200.00	1.50	\$300.00

Time Entries		Hours	Sub
Senior Attorney ZI 2/7/2022 Zoom Meeting with Gabriela Diaz, esq., Jordan Maglich, esq. and Mark Kornfeld, Re: process to sell Villa Gabriela's Properties and review of Purchase Agreement.	\$200.00	0.50	\$100.00
Senior Attorney GD 2/7/2022 Zoom Meeting with Zwindi Iglesias, esq., Jordan Maglich, esq. and Mark Kornfeld, Re: process to sell Villa Gabriela's Properties and review of Purchase Agreement.	\$200.00	0.50	\$100.00
Senior Attorney ZI 2/8/2022 Revise Purchase Agreement and POA instructions for Tallahassee County Clerk Certificate. Send Jordan email with the revised purchase agreement and the POA, including the instructions for the apostille.	\$200.00	1.00	\$200.00
Senior Attorney GD 2/8/2022 Draft Power Of Attorney for Mark Kornfeld, Re: For sale of Villa Gabriela's Properties.	\$200.00	1.50	\$300.00
Senior Attorney ZI 2/9/2022 Purchase certifications for CRIM Debt certificates for the 5 villa gabriela properties. Research debt payments with discounts offered. Send email to Jordan with the certifications.	\$200.00	1.75	\$350.00
Senior Attorney ZI 2/14/2022 Reply to email from client with the CRIM information for the Amnesty.	\$200.00	0.50	\$100.00
Senior Attorney ZI 3/21/2022 Receive email from client regarding CRIM Debts. Review CRIM debts to date and send to client via email the new balance.	\$250.00	0.75	\$187.50
Senior Attorney GD 3/22/2022 Call with the Department of State of Florida to Check Status of Apostille request sent by Mr. Mark Kornfeld on March 9th, Re: Notarization of Special Power of Attorney.	\$250.00	0.50	\$125.00
Senior Attorney GD 3/23/2022 Various email communications with client, Re: Status of Apostille from Florida Department of State and process to finish Special Power of Attorney and protocolization.	\$250.00	0.25	\$62.50
Senior Attorney ZI 3/29/2022 Receive emails from client regarding the CRIM Debt payment. Respond to email requesting credit card information. Receive email from client regarding the Motion to sell Villa Gabriela.	\$250.00	0.50	\$125.00
Senior Attorney GD 3/29/2022 Start draft of Deed of Protocolization of Special Power of Attorney, Re: Special Power of Attorney for Mark Kornfeld appointing Attorney in Fact to represent him in the purchase and sale of Villa Gabriela.	\$0.00	1.00	\$0.00
Senior Attorney GD 3/30/2022 Finish Deed of Protocolization of Special Power of Attorney. Prepare certified copy and Notification for the Registry of Powers.	\$0.00	3.00	\$0.00

Time Entries		Hours	Sub
Senior Attorney GD 3/30/2022 Call to Jordan Maglich, Re: Confidential information for Power of Attorney. Send voicemail and email to request information.	\$0.00	0.25	\$0.00
Senior Attorney ZI 3/30/2022 Receive emails from client regarding payment of CRIM and payoffs. Review Motion and Order for the sale of Villa Gabriela and send comments to client.	\$250.00	1.25	\$312.50
Time Entries Total		16.25	\$2,562.50

Expenses

Expense	Price	Qty	Sub
Other 1/10/2022 \$15 difference of December payment RE: Wire transfer charge	\$15.00	1.00	\$15.00
Other 3/31/2022 Bank Fee Re: WT 04.06.22	\$15.00	1.00	\$15.00
Expenses Total:		2.00	\$30.00
Total (USD)			\$3,192.50
Paid			\$0.00
Balance			\$3,192.50

Terms & Conditions

Payments can be made by check or ACH transfer:

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

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

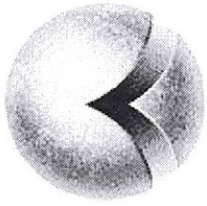
BY ACH TRANSFER:

Bank Name	Banco Popular de Puerto Rico (BPPR)
Routing number	021502011
Account Name	IRW Law Office
Account Holder's Address	PMB 721, #1353 Luis Vigoreaux Ave. Guaynabo, PR 00966
Account Number	367-111189
Additional information	Please contact Ms. Rosaymar Berrios at 787-775-0624 or 787-590-7070, or by email at 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 “6f”

**k . t e k**

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

INVOICE

Invoice Number:
 1014867
 Invoice Date:
 4/1/22

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

Customer ID: Kinetic Receivership

Current Invoice Balance	Payment Terms	Due Date
\$ 720.00	PAYMENT DUE OF CURRENT AND PAST DUE INVOICES	4/1/22

Quantity	Description	Unit Price	Amount
12.00	Business Web Site(s)/LINUX cPANEL-SECURE - KINETICRECEIVERSHIP.COM	55.00	660.00
12.00	Managed DNS Services - KINETICRECEIVERSHIP.COM	5.00	60.00
1.00	PAYMENT DUE UPON RECEIPT - THANK YOU		

Please make checks payable to: KTEK
 SYSTEMS, INC.

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

Phone: 727-726-1700

Fax: 727-726-1744

Subtotal	720.00
Sales Tax	
Total Invoice Amount	720.00
Payment Received	
TOTAL	720.00

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

Relief Defendants.

ORDER GRANTING RECEIVER'S NINTH INTERIM OMNIBUS
APPLICATION FOR ALLOWANCE AND PAYMENT OF
PROFESSIONALS' FEES AND REIMBURSEMENT OF EXPENSES
FOR JANUARY 1, 2022 – MARCH 31, 2022

THIS CAUSE came before the Court on the Receiver's (the
"Receiver") Ninth Interim Omnibus Application for Allowance and
Payment of Professionals' Fees and Reimbursement of Expenses for January
1, 2022 through March 31, 2022 (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	\$41,606.17
Yip & Associates	\$2,738.50
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$2,891.25
IRW Law Offices	\$3,192.50
KTEK Systems, Inc.	\$720.00

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

**UNITED STATES DISTRICT COURT
JUDGE**

4879-2375-9639, v. 1

