

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**KINETIC INVESTMENT GROUP, LLC and
MICHAEL SCOTT WILLIAMS,**

CASE NO.: 8:20-cv-394-MSS-SPF

Defendants, and

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

Relief Defendants.

**RECEIVER’S NOTICE REGARDING STATUS OF SALE REQUESTED IN
MOTION FOR APPROVAL OF PRIVATE SALE OF REAL PROPERTY**

Mark A. Kornfeld, as Court-Appointed Receiver of Defendant Kinetic Investment Group, LLC and Relief Defendants (collectively the “Receiver”), by and through the undersigned counsel, hereby files its Notice Regarding Status of its Motion for Approval of Private Sale of Real Property (D.E. 275) and states as follows in support:

1) Receiver files the instant Notice Regarding the Status of the Private Sale (the “Notice”) requested in his “Motion for Approval of (1) the Private Sale of Puerto Rico Real Properties and Parking Spaces; and (2) the Proposed Publication, Marketing, and Overbid Procedures Associated with the Sale of the Real Properties” (the “Motion” D.E.

275) to advise the Court and all parties of the would-be Buyer's concern over the passage of time since the Purchase and Sale Agreement (the "Contract") was executed.

2) By way of background, the Receiver, via the authority conveyed by the Order Appointing Receiver (D.E. 34),¹ moved for approval of the sale of the real property known as the Villa Gabriela Properties ("Villa Gabriela") on April 1, 2022.

3) Upon the sale being approved by the Court, the result shall be no less than an additional \$2.1 million (before commission and associated closing costs) in funds brought into the Receivership Estates for the ultimate benefit of and eventual distribution to claimants.

4) As part of the sale set forth in the Motion, Receiver, through his real estate professionals, accepted an escrow deposit of \$63,000.00 from the contracted buyer (the "Buyer") for the purchase of Villa Gabriela.

5) The Receiver continues to hold Buyer's funds in anticipation of the sale taking place as prescribed in the Motion.

6) Since the Receiver filed his Motion on April 1, 2022, Receiver has received multiple inquiries orally and via email from the Buyer regarding when the sale may be approved by the Court.

7) To date, Buyer has not withdrawn his offer to purchase Villa Gabriela but has expressed concern over the passage of time and has indicated his view that time is of the essence.

¹ The Order Appointing Receiver states that "the Receiver will be authorized to sell and transfer clear title to, all real property in the Receivership Estates." (D.E. 34 ¶ 32.)

8) The Receiver is concerned that the Buyer may try to walk away from the Contract, which will cost the Receivership Estates substantial amounts of funds. Additionally, there would be no guarantee a new Buyer could be secured.

9) In the event the Buyer exits the proposed sale, Receiver will need to expend a great deal of funds to locate a new Buyer and may be unable to obtain a contract for the same price as contracted with the current would-be Buyer.

10) The Receiver files the instant Notice solely to provide an update to the Court and all parties of information related to the proposed sale and the non-party Buyer as contemplated by the Motion.

11) As needed, the Receiver is, of course, available for a status conference or hearing before the Court regarding the Motion.

WHEREFORE, Mark A. Kornfeld, Court-Appointed Receiver, respectfully moves this Court to enter an Order granting the Receiver's Motion (D.E. 275) and granting any other relief the Court deems just and equitable.

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), the undersigned certifies that counsel for the Receiver conferred with counsel for the Commission and counsel for Defendant Michael Williams prior to filing this Motion. Counsel for the Commission has no objection to the relief requested in this Motion. Defendant Michael Williams objects to the relief requested as set forth in his response/sur-reply to the Motion.

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CERTIFICATE OF SERVICE

I hereby certify that on October 20, 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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By: /s/ Lauren V. Humphries
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