

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.

**TWELFTH INTERIM OMNIBUS APPLICATION FOR ALLOWANCE
AND PAYMENT OF PROFESSIONALS' FEES AND EXPENSES FOR
OCTOBER 1, 2022 – DECEMBER 3, 2022¹**

Mark A. Kornfeld, Esq., in his capacity as court-appointed Receiver (the “Receiver”) for Defendant, Kinetic Investment Group, LLC, and Relief Defendants, Kinetic Funds I, LLC, KCL Services, LLC d/b/a Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC (collectively, the “Receivership Defendants”), moves this Court for the entry of an order awarding fees and costs to the Receiver and his professionals whose retention has been approved by the Court. *See* Docs. 41-43, 47, 154, 207.

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

This motion covers all fees and costs incurred from **October 1, 2022**, through **December 31, 2022** (the “Application Period”). The Securities and Exchange Commission’s (the “SEC” or the “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 **\$80,209.75** to the professionals engaged by the Receiver for fees incurred and reimbursement of **\$2,740.36** in expenses for a total payment of **\$82,950.11**. This Application includes time billed for the three-month period from October 1, 2022 through December 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.

II. Executive Summary Activities for Application Period

a. Facilitated Closing of Villa Gabriela

For the period covered by this Motion², Receiver and his professionals expended extensive legal services preparing for and handling the marketing, sale, and closing of the “Villa Gabriela Properties,” specifically the properties listed below:

- Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- Condominium Villa Gabriella, Apartment 2-E located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and
- Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901.

While the closing of the Villa Gabriela Properties occurred on January 13, 2023 (outside the Application Period), the Receiver and his staff worked diligently in the months preceding to ensure that the Properties closed. The closing of the Properties was complicated by the Purchaser’s prior notice (on October 24, 2023) that he was terminating the Contract due to the “mere passage of time” since the Purchase Agreement. Several hours after the Receiver received the written termination notice from the Purchaser, the Court granted the Motion to Approve the Private Sale.

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

Subsequently, the Receiver and his staff took immediate steps to work with the Purchaser on negotiating new terms. All during this negotiation, the Receiver continued to market the Properties in hopes an overbid contract could be secured. While the Receiver disagreed with the Purchaser's legal and equitable position to unilaterally terminate the Contract, the Receiver was mindful of his role as a steward and fiduciary to claimants and alleged victims here. The Receiver, along with his team of professionals, analyzed the substantial cost and risk of litigation against the would-be Purchaser, the collapse of the Puerto Rico real estate market, a lack of interest from others in acquiring the properties after extensive further marketing, the need and desire to stop the many tens of thousands in costs, maintenance, and repairs, rising interest rates, the Purchaser's good faith and good will, and, the compelling equitable interest in monetizing the assets here in order to distribute over seven figures back to alleged victims, as soon as practicable.

As such, the Receiver determined in the exercise of his reasonable discretion to work with the Purchaser to reach a new agreement and a mutually acceptable purchase price. After completing settlement negotiations regarding a new agreement, the Receiver and Purchaser expressly agreed not to litigate the dispute or terminate the Contract; the parties agreed that the Purchaser would purchase Villa Gabriela at a reduced purchase price of one million six hundred ninety thousand (\$1.69m) (essentially a twenty (20%) discount). The Receiver and the Purchaser drafted an addendum to the Contract reflecting this amended purchase price and subsequently received approval from the Court to proceed with the purchase. Due to the Receiver's

efforts, the closing occurred as planned – bringing in necessary funds to the Receivership Estates. A great deal of legal work was expended during the Application Period to notify the Court regarding the proposed sale and its amended terms, assist the Receiver's real estate professionals in finalizing the closing and preparing the closing documents, working with the Receiver's Puerto Rican legal counsel on the closing and preparing the closing documents, communicating regularly with the Purchaser on all aspects of the Properties, and communicating regularly with the Purchaser's legal counsel to ensure that the closing occurred.

b. Requested Court Approval for Second Interim Distribution to Claimants.

The Receiver awaits Court approval for his Unopposed Motion to Approve Second Interim Distribution, in which the Receiver sought an Order approving a distribution of \$3,500,000.02 to the Investor Claimants. This distribution amount represents a recovery of \$10.6% of the Total Allowed Amounts of Investor Claims. At present, the Receiver awaits Court Approval to move forward with the requested distribution amount. Once the Receiver receives an Order from the Court, the Receiver will promptly remit checks to Claimants as designated in Exhibit A of the Motion.

c. Reviewed Potential Third-Party Claims and continued work to bring in funds to the Receivership Estates.

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 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). During the Reporting Period, Receiver has engaged multiple individuals regarding debt repayment plans. Receiver continues his efforts to obtain funds from these individuals through individualized payments plans including handling any issues that occur with the individualized plans.

d. 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.

e. Attended To Litigation Matters

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

f. 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.

g. The Eleventh Interim Report

The Receiver prepared and filed his Eleventh Interim Report on October 28, 2022 (Doc. 294), which provided a comprehensive summary, analysis, and supporting documentation of the Receiver's continuing investigation as well as the tracing of investor funds. The above activities are also discussed in more detail in the Receiver's Twelfth Interim Report which was filed contemporaneously on January 31, 2023 (Doc. 305) (the "Twelfth 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 Twelfth Report into this Application and attaches a true and correct copy of the Twelfth Report as **Exhibit 2** for the Court's convenience.

II. Background

On February 20, 2020, the Commission filed a complaint (Doc. 1) (the "Complaint") in the United States District Court for the Middle District of Florida (the "Court") against the Defendants Kinetic Investment Group, LLC and Michael S. Williams and Relief Defendants Kinetic Funds I, LLC, KCL Services, LLC d/b/a

Lendacy, Scipio, LLC, LF 42, LLC, El Morro Financial Group, LLC, and KIH Inc., f/k/a Kinetic International, LLC, alleging that the Defendants violated the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 by making false or materially misleading representations to investors and that over \$6 million of investor funds was misappropriated to fund other business ventures and pay for other unauthorized expenses. Doc. 1.³

According to the Complaint, the scheme involved securities offerings made on behalf of Relief Defendant Kinetic Funds, a purported hedge fund with a sub-fund structure managed by Defendants Kinetic Investment Group, LLC (“Kinetic Investment”) and Williams. Defendants represented to investors that the largest sub-fund, Kinetic Funds Yield (“KFYield”), invested all of its assets in income-producing U.S. listed financial products hedged by listed options. *Id.* ¶ 2. Potential investors were told that KFYield was a liquid investment that would “maintain 90% principle [sic] protection” and that an investor could redeem their principal investment “100%...without penalties” with a 30-day written notice. *Id.* ¶¶ 2, 28.

Investors in the KFYield fund, which attracted the near-entirety of investor funds, were also often provided with documentation from Bloomberg’s reporting service containing claims about KFYield’s performance including that the fund had achieved positive annual returns every year since inception. Many, but not all, KFYield investors were also attracted to the investment opportunity given the

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

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:** October 1, 2022 – December 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): E-Hounds

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 5(c): PDR CPAs + Advisors

Exhibit 5(d): IRW Law Offices

Exhibit 6: The Professionals' time records for the time period covered by this Application, sorted in chronological order, including a summary and breakdown of the requested reimbursement of expenses:

Exhibit 6(a): Buchanan Ingersoll & Rooney PC

Exhibit 6(b): E-Hounds

Exhibit 6(c): PDR CPAs + Advisors

Exhibit 6(d): IRW Law Offices

IV. Case Status

(a) Cash on hand

As of the date of this Application, the Receivership bank accounts have a cumulative balance of \$8,183,426.37.⁵

(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.

⁵ This balance includes approximately \$234,526.78 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. The current funds includes the most recent net proceeds from the Sale of Villa Gabriela Properties, which brought in \$1,606,053.00 to the Receivership Estate.fc

During this reporting period, the Receiver has focused on (i) continuing his investigation of the underlying business operations of the various Receivership Entities, (ii) enhancing and preserving the value of Receivership assets, including exploring potential third party claims and serving demand letters on third parties and also continuing the process of preparing for the sale of the Villa Gabriela real estate in Puerto Rico, (iii) investigating potential avenues to recover additional assets, and (iv) continuing to implement a Court-approved claims process that included making a First Interim Distribution to Investor Claimants. Although the Receiver has made significant progress, Defendant Williams continues to contest the Commission's allegations and thus the Receiver is unable to offer an estimate as to when the case is expected to close.

(c) Summary of creditor claims proceedings

The Receiver, along with his Retained Professionals, undertook significant efforts to understand the relationship between the Receivership Entities and current and former investors in order to determine the most equitable framework for a Court-approved claims process to return investor funds. Complicating this analysis was the fact that many of the current and former investors in Kinetic Funds also obtained a loan (or loans) from Receivership Entity Lendacy, which required the Receiver and his forensic professionals to conduct a full forensic analysis of the flow of funds between investors and all Receivership Entities over a seven-year period based on available financial records.

Following the Court's approval of the Receiver's Amended Motion to Establish and Approve (i) Procedure to Administer and Determine Claims; (ii) Proof of Claim Form; and (iii) Claims Bar Date and Notice Procedures (Doc. 155), the Receiver mailed out over 100 proof of claim packets to potential claimants and creditors on November 17, 2020, published notification of the claim bar date of **February 15, 2021** in specified newspapers and his website, and filed his Notice of Publication and Claim Bar Date (Doc. 165). The Receiver ultimately received 37 proof of claim packets.

On June 18, 2021, the Receiver filed his Claims Approval Motion in which he requested the Court's approval of his determinations of the approval and priority of the submitted claims as well as a plan for distribution. The Court entered an Order granting the Claims Approval Motion on July 21, 2021 (Doc. 256). After the passage of time to implement the Objection Procedure, the Receiver filed his Unopposed Motion to Approve First Interim Distribution (the "Distribution Motion") on September 3, 2021 in which he requested Court approval to make an initial interim distribution to eligible Investor Claimants consisting of 40% of each Investor Claimant's approved claim. Doc. 263. On October 29, 2021, the Court entered an Order granting the Distribution Motion, and the Receiver mailed out the approved distribution checks within the 10-day period following the Court's Order. On September 15, 2022, the Receiver filed his Unopposed Motion to Approve Second Interim Distribution, in which the Receiver requested approval to distribute \$3,500,000.02 as set forth in Exhibit A to the Motion. This Distribution represents a

recovery of 10.6% of the Allowed Amounts of Investor Claims. At present the Receiver awaits the Court Order on the second distribution. The Receiver will also continue to evaluate an appropriate time to seek Court approval for any additional distributions. At this stage, the Receiver does not believe that sufficient funds exist to satisfy all anticipated investor claims in full.

(d) Description of assets

In additional to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Twelfth 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 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. To date, these discounts resulted in a total reduction of over \$100,000 from the rates customarily charged by Buchanan Ingersoll attorneys to clients.

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 provided 127.90 hours in legal services on this Receivership but only seeks compensation for 125.90 of those hours for a total of **\$55,081.25** in legal services and **\$772.36** in costs. 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 82.30 hours assisting the Receiver in fulfilling his duties under the Order Appointing Receiver. Buchanan Ingersoll seeks compensation for professional services in the amount of **\$22,221.00** and costs in the amount of \$0. The statement summarizing the services rendered by Buchanan Ingersoll is also encompassed within **Exhibit 6(a)** attached hereto. The work performed by Buchanan Ingersoll has been focused on investigating the fraud and related activities underlying this matter; locating and taking control of Receivership assets; investigating and pursuing additional assets for the Receivership, and coordinating the framework and procedures for a Court-approved claims process as detailed in the Interim Report. For the period from October 1, 2022 through December 31, 2022, the Receiver requests that the Court award the Receiver and Buchanan Ingersoll fees for professional services rendered in the amount of **\$77,302.25** and costs in the amount of **\$772.36**, for a total of **\$78,074.61**.

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 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

⁶ E-Hounds' fee proposal, which was included in the Receiver's IT Motion, also included additional fees and services for non-customary tasks including expert witness and "triage reporting" services. Doc. 38 Ex. 2.

the 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(b)**. The Receiver requests that the Court award E-Hounds fees for costs incurred from October 1, 2022 through December 31, 2022, in the amount of **\$1,485.00**.

(c) Services Provided By PDR CPAs + Advisors.

The Receiver obtained Court approval to retain the services of PDR CPAs + Advisors ("PDR") to handle tax-related issues for the Receivership Entities. (Doc. 47.) This includes the preparation of any required tax-related documents as well as analyzing previous tax documents to assist the Receiver in performing his duties. PDR's principal, Bill Price, routinely provides tax and accounting services in receivership matters. During the period covered by this Application, PDR billed 6.5 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver, which included the efforts to determine the calculations for a Second

Interim Distribution to Claimants, and seeks professional fees in the sum of **\$1,157.50** as set forth in the invoices attached as **Exhibit 6(c)**. The Receiver requests that the Court award PDR fees for professional services rendered and costs incurred from October 1, 2022 through December 31, 2022, in the amount of **\$1,157.50**.

(d) Services Provided By IRW Law Offices.

In connection with his efforts to market and sell the Receivership remaining 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 13.50 hours expended on this matter and billed the Receiver for professional services rendered in the amount of **\$1,750.00** and expenses of **\$483.00** as set forth in the invoices attached as **Exhibit 6(d)**. The Receiver requests that the Court award IRW fees for professional services rendered from October 1, 2022 through December 31, 2022, in the amount of **\$2,233.00**.

MEMORANDUM OF LAW

A receiver appointed by a court who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred. *See SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992) (“[I]f a receiver reasonably and diligently discharges his duties, he is entitled to compensation.”); *Donovan v. Robbins*, 588 F. Supp. 1268, 1272 (N.D. Ill. 1984) (“[T]he receiver diligently and successfully discharged the responsibilities placed upon him by the Court and is entitled to reasonable compensation for his efforts.”); *SEC v. Custable*, 1995 WL 117935 (N.D. Ill. Mar. 15, 1995) (receiver is entitled to fees where work was of high quality and fees were reasonable); *SEC v. Mobley*, 2000 WL 1702024 (S.D.N.Y. Nov. 13, 2000) (court awarded reasonable fees for the receiver and his professionals). In determining reasonable compensation for the services rendered by the Receiver and his Professionals, the Court should consider the circumstances surrounding the receivership. *See Elliot*, 953 F.2d at 1577.

In addition to fees, the receiver is “also entitled to be reimbursed for the actual and necessary expenses” that the receiver “incurred in the performance of [its] duties.” *Fed. Trade Comm’n v. Direct Benefits Grp., LLC*, 2013 WL 6408379, at *3 (M.D. Fla. 2013). The Receiver and his Professionals support their claims for reimbursement of expenses with “sufficient information for the Court to determine that the expenses are actual and necessary costs of preserving the estate.” *SEC v. Kirkland*, 2007 WL

470417, at *2 (M.D. Fla. 2007) (citing *In re Se. Banking Corp.*, 314 B.R. 250, 271 (Bankr. S.D. Fla. 2004)).

Here, because of the nature of this case, it was necessary for the Receiver to employ attorneys, accountants, and professionals experienced and familiar with financial frauds, federal receiverships, securities laws, banking, finance, and trusts and estates. Further, in order to perform the services required and achieve the results obtained to date, the skills and experience of the Receiver and the Professionals in the areas of fraud, securities, computer and accounting forensics, and financial transactions were indispensable.

The Receiver and his legal, forensic, and information technology professionals have each discounted their normal and customary rates as an accommodation to the Receivership and to conserve Receivership assets. The rates charged by the attorneys and paralegals are at or below those charged by attorneys and paralegals of comparable skill from other law firms in the Middle District of Florida. This case has been time-intensive for the Receiver and his Professionals because of the need to resolve many issues rapidly and efficiently. The attached Exhibits detail the time, nature and extent of the professional services rendered by the Receiver and his Professionals for the benefit of investors, creditors, and other interested parties. The Receiver anticipates that additional funds will be obtained through the Receiver's negotiations or litigation with third parties.

The Receiver is sensitive to the need to conserve the Receivership Entities' assets and respectfully submits that the fees and costs expended to date were

reasonable, necessary, and benefited the Receivership. Notably, the Commission has no objection to the relief sought in this motion. *Custable*, 1995 WL 117395, *7 (“In securities law receiverships, the position of the SEC in regard to the awarding of fees will be given great weight.”)

CONCLUSION

Under the terms and conditions of the Order Appointing Receiver, the Receiver, among other things, is authorized, empowered, and directed to engage professionals to assist him in carrying out his duties and obligations. The Order further provides that he apply to the Court for authority to pay himself and his Professionals for services rendered and costs incurred. In exercising his duties, the Receiver has determined that the services rendered and their attendant fees and costs were reasonable, necessary, advisable, and in the best interest of the Receivership.

WHEREFORE, Mark A. Kornfeld, the Court-appointed Receiver, respectfully requests that this Court award the following sums and direct that payment be made from the Receivership assets:

Mark A. Kornfeld, Esq. and Buchanan Ingersoll	\$78,074.61
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$1,157.50
IRW Law Offices	\$2,233.00
TOTAL:	\$82,950.11

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

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

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), the Receiver hereby certifies that he has conferred with counsel for Plaintiff, Securities and Exchange Commission, which does not oppose the requested relief. The Receiver has also conferred with counsel for Defendant Michael S. Williams, who takes no position on the requested relief.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC



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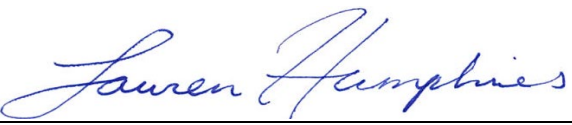
CERTIFICATE OF SERVICE

I hereby certify that on February 3, 2023, 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.
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By: 

Attorney

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

EXHIBIT “1”



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REPORT OF STANDARDIZED FUND ACCOUNTING REPORT

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

We have compiled the standardized fund accounting report for the period October 1, 2022 to December 31, 2022 and from inception March 6, 2020 to December 31, 2022, included in the accompanying prescribed form (Civil Court Docket No. 8:20-cv-00394-WFJ-SPF). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF).

Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, is responsible for the preparation and fair presentation of the standardized fund account report in accordance with requirements prescribed by the Civil Court Docket No 8:20-cv-00394-WFJ-SPF, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the standardized fund accounting report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist Mark A. Kornfeld, As Receiver for Kinetic Investment Group, LLC et al, in presenting financial information in the form of a standardized fund accounting report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the standardized fund accounting report.

This standardized fund accounting report is presented in accordance with the requirements of the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF , which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Civil Court Docket No 8:20-cv-00394-WFJ-SPF and is not intended and should not be used by anyone other than this specified party.

Oldsmar, Florida
January 17, 2022

Standardized Fund Accounting Report for				
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis				
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF				
Reporting Period 10/01/2022-12/31/2022				
FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/01/2022):			\$ 6,619,382.10
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	30,384.25		
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
	Total Funds Available (Line 1 - 8):		30,384.25	6,649,766.35
	Decreases in Fund Balance:			
Line 9	Disbursements to Claimants	-		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	65,542.37		
Line 10b	Business Asset Expenses			
Line 10c	Personal Asset Expenses	8,829.36		
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations		74,371.73	74,371.73
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)			74,371.73
Line 13	Ending Balance (As of 12/31/2022)			6,575,394.62

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period 10/01/2022-12/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,575,394.62
Line 14a	Cash & Cash Equivalents			6,575,394.62
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,575,394.62
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
Line 15a	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

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

Receiver:
By: _____
Title
Date _____

Standardized Fund Accounting Report for				
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis				
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF				
Reporting Period From Inception 03/06/2020 to 12/31/2022				
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		170,016.83	
Line 5	Business Asset Liquidation		4,025,500.00	
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income		3,603,118.07	
Line 8	Miscellaneous - Other		223,877.75	
	Total Funds Available (Line 1 - 8):		21,675,424.87	21,675,424.87
	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		1,637,640.59	
Line 10b	Business Asset Expenses		76,449.83	
Line 10c	Personal Asset Expenses		88,293.90	
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		26,481.66	
	Total Disbursements for Receivership Operations		15,100,030.25	15,100,030.25
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)			15,100,030.25
Line 13	Ending Balance (As of 12/31/2022)			6,575,394.62

Standardized Fund Accounting Report for
Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
Reporting Period From Inception 03/06/2020 to 12/31/2022

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			6,575,394.62
Line 14a	Cash & Cash Equivalents			6,575,394.62
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			6,575,394.62
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
Line 15a	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
	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 TWELFTH INTERIM REPORT

(October 1, 2022 to December 31, 2022)

Mark A. Kornfeld, Esq., in his capacity as the court-appointed Receiver (the “Receiver”) for Kinetic Investment Group, LLC (“KIG”), Kinetic Funds I, LLC (“Kinetic Funds”), KCL Services, LLC d/b/a Lendacy (“Lendacy”), Scipio, LLC (“Scipio”), LF 42, LLC (“LF42”), El Morro Financial Group, LLC (“El Morro”), and KIH Inc., f/k/a Kinetic International, LLC (“Kinetic International”) (collectively, the “Receivership Defendants”), respectfully files his Twelfth Interim Report (the “Twelfth Report”) covering information and activity occurring from

October 1, 2022 to December 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.

During the time period covered by this Twelfth Report (October 1, 2022 to December 31, 2022), the Receiver and his team of legal, technology, tax, and accounting professionals (collectively, the “Retained Professionals”) have engaged in significant activities regarding the Receivership Estate, which are discussed more thoroughly in the forthcoming report.

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I. EXECUTIVE SUMMARY OF REPORTING PERIOD

A. Significant Activities Occurring During This Reporting Period

1. Facilitated Closing of Villa Gabriela Properties.

For the period covered by this Motion, Receiver and his professionals expended extensive legal services preparing for and handling the marketing, sale, and closing of the “Villa Gabriela Properties,” specifically the properties listed below:

- Condominium Villa Gabriela, Apartment PH1-A/PH 1-B located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- Condominium Villa Gabriella, Apartment 2-E located at 109 De la Cruz Street, San Juan, Puerto Rico 00901;
- Parking Space #321 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901; and,
- Parking Space #325 located at Cochera San Francisco, Luna Street #204, San Juan, Puerto Rico 00901.

While the closing of the Villa Gabriela Properties occurred on January 13, 2023 (outside the Application Period), the Receiver and his staff worked diligently in the months preceding to ensure that the Properties closed. The closing of the Properties was complicated by the Purchaser’s prior notice (on October 24, 2023) that he was terminating the Contract due to the “mere passage of time” since the Purchase Agreement. Several hours after the Receiver received the written termination notice from the Purchaser, the Court granted the Motion to Approve the Private Sale. Subsequently, the Receiver and his staff took immediate steps to

work with the Purchaser on negotiating new terms. All during this negotiation, the Receiver continued to market the Properties in hopes an overbid contract could be secured. While the Receiver disagreed with the Purchaser's legal and equitable position to unilaterally terminate the Contract, the Receiver was mindful of his role as a steward and fiduciary to claimants and alleged victims here. The Receiver, along with his team of professionals, analyzed the substantial cost and risk of litigation against the would-be Purchaser, the collapse of the Puerto Rico real estate market, a lack of interest from others in acquiring the properties after extensive further marketing, the need and desire to stop the many tens of thousands in costs, maintenance, and repairs, rising interest rates, the Purchaser's good faith and good will, and, the compelling equitable interest in monetizing the assets here in order to distribute over seven figures back to alleged victims, as soon as practicable.

As such, the Receiver determined in the exercise of his reasonable discretion to work with the Purchaser to reach a new agreement and a mutually acceptable purchase price. After completing settlement negotiations regarding a new agreement, the Receiver and Purchaser expressly agreed not to litigate the dispute or terminate the Contract; the parties agreed that the Purchaser would purchase Villa Gabriela at a reduced purchase price of one million six hundred ninety thousand (\$1.69m) (essentially a twenty (20%) discount). The Receiver and the

Purchaser drafted an addendum to the Contract reflecting this amended purchase price and subsequently received approval from the Court to proceed with the purchase. Due to the Receiver's efforts, the closing occurred as planned – bringing in necessary funds to the Receivership Estates. A great deal of legal work was expended during the Application Period to notify the Court regarding the proposed sale and its amended terms, assist the Receiver's real estate professionals in finalizing the closing and preparing the closing documents, working with the Receiver's Puerto Rican legal counsel on the closing and preparing the closing documents, communicating regularly with the Purchaser on all aspects of the Properties, and communicating regularly with the Purchaser's legal counsel to ensure that the closing occurred.

2. Requested Court Approval for Second Interim Distribution to Claimants for \$3,500,000.02.

The Receiver filed his Motion for Court approval for a Second Interim Distribution for \$3,500,000.02 to the Investor Claimants.¹ This distribution amount represents a recovery of \$10.6% of the Total Allowed Amounts of Investor Claims. Receiver will take all necessary steps to remit the funds once approved.

Even with the anticipated proceeds from the sale of the Villa Gabriela

¹ The Court granted the Receiver's Motion for Second Interim Distribution on January 20, 2023 (outside the Reporting Period for this Report.) The Receiver is in the process of distributing checks to the investors as prescribed by the Exhibit "A" of the Motion.

Property, it does not appear that the Receiver's efforts will result in a 100% recovery of all Investor Claims. If the proposed Second Interim Distribution is approved by this Court, the Receiver will have distributed \$16,716,050.90 (over 80%) of the approximately \$20,000,000.00 that has been recovered to benefit Investor Claims. The Receiver believes it is now prudent to distribute a portion of the cash on hand while also maintaining a balance to continue the administration of the Receivership, the payment of management costs of Villa Gabriela, the potential prosecution of third-party claims, and to reserve for any unknown contingencies arising out of these matters.

3. Continued management Responsibilities of handling Villa Gabriela Properties, including handling upkeep of property and communications with HOA.

During the time preceding the closing of the Villa Gabriela Properties (which occurred just outside the Reporting Period), Receiver expended a great deal of time, effort, and resources to handle and manage the property. These tasks include but are not limited to the following:

- Worked with Villa Gabriel management company in Puerto Rico to handle all upkeep issues with the property, including weather proofing for storms, plumbing and electrical upkeep, and general property maintenance;
- Communicated with real estate professionals and real property brokers as to the status of the prospective sale and the progression of Receiver's Motion for Approval of Private Sale and the subsequent briefings related to the Motion in the Receivership litigation;

- Expended funds of the Receivership Estate to pay outstanding property taxes, property insurance, and HOA management fees related to the property; and,
- Assisted and communicated with Puerto Rican legal counsel regarding any issues related to the prospective sale of Villa Gabriel.

4. Reviewed Potential Third-Party Claims.

Receiver previously 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. 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), which resulted in a structured payment plan to satisfy the agreed upon debt. Receiver will continue his efforts to obtain full recovery of third-party claims.

5. Preparation of Eleventh Interim Report.

The Receiver prepared and filed his Eleventh Interim Report on October 28, 2022 (Doc. 295), which provided a comprehensive summary, analysis, and

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

6. Communication with Investors.

The Receiver's staff professionals and counsel continued to communicate regularly with investors via phone and through email correspondence. Additionally, the Receiver continues to provide updates and announcements on the informational website at www.kineticreceivership.com for investors and other interested parties. Receiver has provided updates to investors on the status of the Motion for Second Interim Distribution and the eventual distribution of 10.6% of Total Allowed Amounts of Investor Claims.

7. Continued Aggressively Pursuing Zephyr Aerospace Investment of \$500,000.00 with Principal.

In March of 2019, Kinetic International made an investment totaling \$500,000.00 in an early-stage airline seat startup known as Zephyr Aerospace ("Zephyr"). This investment was traceable to investor funds. The Receiver has been in contact with Zephyr's principal (Jeffrey O'Neill) regarding updates on the company, which appears to be non-operational and without profit. The Receiver is working with tax professionals to determine whether any offset can be reached with the potential loss of the Zephyr investment. The Receiver will continue to take all steps to monetize the asset or use the investment to benefit the Receivership Estate overall.

8. Continued Investigation And Review of Relevant Documentation and Information regarding the Receivership Entities.

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.

9. Attended To Litigation Matters.

The Receiver continues to monitor the Court's docket given that the Commission's claims against Mr. Williams remain pending. The Receiver continues to be in contact with the SEC and individuals involved in the litigation.

10. Managed Receiver's Cash Accounts held at ServisFirst Bank.

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 July 28, 2022 as **Exhibit 1**.² 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**³ in the Receiver's fiduciary bank accounts during the Receiver's appointment;

² The report includes the bank account holding funds previously transferred by Williams' former counsel to the Receiver.

³ 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.

(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 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.

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 2019.⁴

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) ⁵	2.45%

Beginning in June 2014, Kinetic Funds moved its brokerage accounts for KFYield

⁴ 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%.

⁵ The Receiver has not seen any information indicating that Kinetic Funds updated the Fund’s reported Bloomberg performance figures after September 2019.

and other sub-accounts to Interactive Brokers.⁶ 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 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

⁶ 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.

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	-95,802.03
Dividend Accruals	34,887.82	134,620.11	0.00	134,620.11	99,632.29
Total	6,510,940.57	107,869,693.13	-103,126,312.66	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.⁷

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

⁷ 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.

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.⁸ This theoretically is the amount of funds that were being held and managed on behalf of KFYield investors, and accordingly is the amount that would need to be returned in the event that all investors elected to redeem their investments.

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

⁸ This figure also appears to differ from the Bloomberg report showing total KFYield assets of nearly \$32 million as of December 29, 2017.

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 Brokers⁹). 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.

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

⁹ 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.

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.¹⁰ Kinetic Investment Group's bank account also received transfers of nearly \$1 million from Lendacy.

- Over **\$4 million** was transferred by the Receivership Entities to various third parties for professional services or payments, including:
 - Over \$1.53 million to ADP, a payroll processing company;
 - Nearly \$1 million to American Express for credit card payments;
 - Nearly \$700,000 for rental payments for the Sarasota KIG office and the Puerto Rico office used by El Morro and other entities;
 - Roughly \$230,000 for health insurance;
 - Approximately \$122,000 to Bloomberg LP; and
 - Nearly \$500,000 to legal and accounting firms.
- Over **\$1 million** was transferred in connection with Receivership Entity KIH, Inc. f/k/a Kinetic International, LLC's efforts to develop a software exchange platform known as ISX, including:
 - The transfer of **\$550,000** from the KF Bank Account to two Puerto Rico bank accounts established for Kinetic International, LLC;
 - The transfer of over **\$500,000** to fund a "launch event" in March 2019 and to pay outside contractors and developers.

On March 5, 2020, one day before the Court's hearing on the Commission's motions seeking an asset freeze and appointment of a receiver, 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

¹⁰ 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).

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.¹¹ Based on the Receiver’s investigation, it appears that at least a portion of these transfers were used by Kinetic Investment Group for other unauthorized expenses that did not benefit investors. For example, Kinetic Investment Group made nearly \$1 million in transfers to El Morro Financial during the period of March 2017 to December

¹¹ 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.

2019. *See* First Report pp. 47-53.¹² 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.

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.

¹² 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.

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 2013.¹³ 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 depleted) investor assets.¹⁴ A K-1 was also generated showing a \$1 million loss for Kinetic Partners, LLC.

¹³ See <https://brokercheck.finra.org/firm/summary/131920>.

¹⁴ 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.

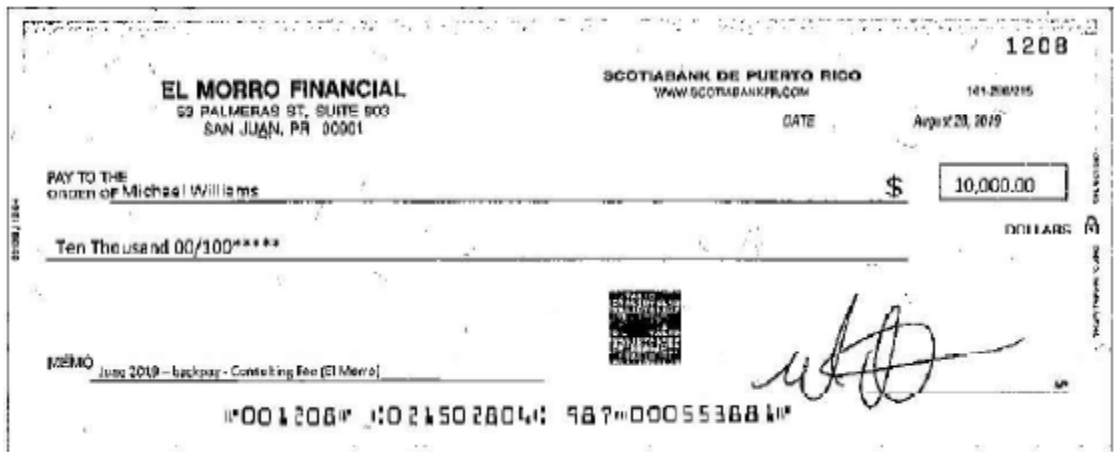
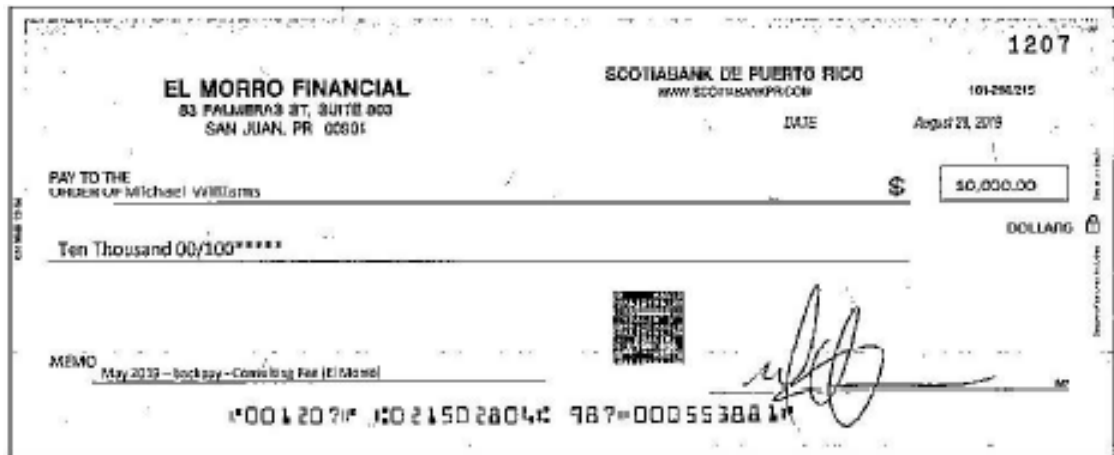
Between mid-2012 through the end of 2012, it appears KST moved its accounts out of VTrader and over to Bank of America/Merrill Lynch. The Receiver's investigation into these events has been hampered by the passage of nearly ten years from these events and the unavailability of sufficient documentation,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

G. Continued Investor Outreach and Administration Of Website

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

IV. 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

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.

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 of parties and third parties who may have knowledge of the fraudulent scheme. The Receiver believes that continuation of the Receivership (and employment of the Retained Professionals) is necessary and imperative for the continued marshaling, liquidation, and distribution of assets.

B. Second Interim Distribution to Investors

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. On September 15, 2022, Receiver filed his Unopposed Motion to Approve Second Interim Distribution, in which the Receiver sought an Order approving a distribution of \$3,500,000.02 to Claimants. This distribution amount represents a recovery of 10.6% of the Total Allowed Amounts of Investor Claims. On January 20, 2023, the Receiver received Court approval to move forward with the requested

distribution amount in the Second Interim Distribution Motion. The Receiver is currently in the process of remitting checks to Claimants as designated in Exhibit A of the Motion.

C. Liquidation and Sale of Real Property

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 Villa Gabriela from Defendant Williams to the Receiver and has successfully closed on the Villa Gabriela Properties bringing \$1,606,053.00 to the funds of the Receivership Estate.


The Receiver previously 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 continues to explore available options to realize any value from the ISX asset and the Zephyr investment.

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 a stated earlier in this Report. Moving forward, the Receiver will continue to evaluate the viability of other third-party claims to add assets to the Receivership Estates.

Respectfully submitted,
BUCHANAN INGERSOLL & ROONEY PC

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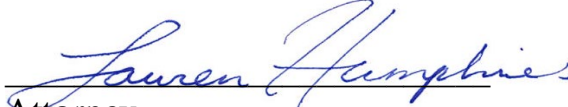
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 31st day of January, 2023, 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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Attorney

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 1st day of February, 2023.

A handwritten signature in blue 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	\$559,587.85	\$23,177.24
Receiver and Buchanan Ingersoll & Rooney PC	Attorneys	208.20	\$77,302.25	\$772.36	\$78,074.61	\$508,014.37	\$9,419.05
Yip & Associates	Accountants	0.00	\$0.00	\$0.00	\$0.00	\$265,788.25	\$2,043.80
E-Hounds, Inc.	Information Technology and Forensic Technology	0.00	\$0.00	\$1,485.00	\$1,485.00	\$40,740.00	\$19,105.00
IRW Law Offices	Attorneys	7.00	\$1,750.00	\$483.00	\$2,233.00	\$21,577.50	\$435.38
PDR CPAs + Advisors	Accountants	6.50	\$1,157.50	\$0.00	\$1,157.50	\$35,135.00	\$598.03
K. Tek Systems	Website	0.00	\$0.00	\$0.00	\$0.00	\$3,990.00	\$720.00
Marshall Swatt		0.00	\$0.00	\$0.00	\$0.00	\$8,475.00	\$0.00
Total		221.70	\$80,209.75	\$2,740.36	\$82,950.11	\$1,443,307.97	\$55,498.50

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	125.90	\$ 55,081.25
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00		\$ -
Lauren Humphries	Litigation	Associate	2015	\$ 390.00	\$ 270.00	82.30	\$ 22,221.00
Tabitha Pellegrine	Labor & Employment	Paralegal		\$ 280.00	\$ 195.00		\$ -
Total Fees							\$ 77,302.25
Less: Credit							\$0.00
Total Expenses							\$ 772.36
Total						208.20	\$ 78,074.61

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

EXHIBIT “5b”

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 “5c”

PDR CPAs

Name	Title	Year Licensed/ Experience	Standard Rate	Billing Rate	Total Hours	Total Billed
William E. Price	CPA	45+		\$ 335.00	1.50	\$ 502.50
William E. Price	CPA	45+	\$ 320.00	\$ 320.00		\$ -
Gail Heinold	Accounting Manager	20+		\$ 160.00		\$ -
Gail Heinold	Accounting Manager	20+	\$ 210.00	\$ 155.00	1.00	\$ 155.00
Gail Heinold	Accounting Manager	20+		\$ 125.00	0.25	\$ 31.25
Tammy Warden	Staff Accountant			\$ 125.00	3.75	\$ 468.75
Sharon O'Brien	Staff Accountant	10+	\$ 150.00	\$ 125.00		\$ -
Megan Justice	Staff Accountant	4+	\$ 150.00	\$ 125.00		\$ -
Shelly Spencer	Staff Accountant			\$125.00		\$ -
Michael Yanchunis	Staff Accountant			\$125.00		\$ -
SGH				\$60.00		\$ -
LH				\$150.00		\$ -
Tracy Hess	Tax Manager	5+	\$ 225.00	\$ 210.00		\$ -
Total Fees						\$ 1,157.50
Less: Credit						0.00
Total Expenses						\$ -
Total					6.50	\$ 1,157.50

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

EXHIBIT “5d”

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		\$ -
Zwindi Iglesias	Litigation	Attorney	2011		\$ 250.00	6.75	\$ 1,687.50
DK		Paralegal		\$ 150.00	\$ 150.00		\$ -
Gabriela Díaz		Attorney		\$ 200.00	\$ 200.00		\$ -
Gabriela Díaz		Attorney			\$ 250.00	0.25	\$ 62.50
Gabriela Díaz		Attorney			\$ 600.00		\$ -
Carla Martinez		Attorney			\$ 250.00		\$ -
RB		Associate		\$ 150.00	\$ 150.00		\$ -
DR		Paralegal		\$ 150.00	\$ 150.00		\$ -
Total Fees							\$ 1,750.00
Less: Credit							\$ -
Total Expenses							\$ 483.00
Total						7.00	\$ 2,233.00

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

January 12, 2023
Invoice No. 12210147

INVOICE SUMMARY

For Professional Services Rendered:

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

Fees:	\$77,302.25
Disbursements:	<u>\$772.36</u>

Total Current Invoice:	\$78,074.61
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Tampa, FL 33602-5236

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ATTN: JORDAN MAGLICH, ESQUIRE
TAMPA, FL 33602

January 12, 2023
Invoice No. 12210147

For Professional Services Rendered:

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

SERVICES AND COSTS INCLUDING

Timekeeper	Date	Task	Narrative	Hours	Amount
Case Administration					
M. A. Kornfeld	10/03/22	B110	Review, analyze, confer L. Humphries regarding Interim Report, investor queries, timing for distribution, sale of condos contingencies, potential winding down of estate, communications with counsel and the Commission.	2.50	1,093.75
L. Humphries	10/04/22	B110	Receipt, review and analysis, of correspondence from Claimant Investor regarding distribution motion and update on proceedings.	0.20	54.00
M. A. Kornfeld	10/05/22	B110	Review, analyze draft for possible additional distribution before year end.	1.00	437.50
M. A. Kornfeld	10/05/22	B110	(NO CHARGE) Review, analyze, revise fee applications.	2.00	N/C
L. Humphries	10/07/22	B110	Communicated with Investor Claimant regarding potential second distribution.	0.20	54.00
L. Humphries	10/07/22	B110	Met with Receiver regarding status of estate and tasks to try to recover further funds for Receivership estate.	0.30	81.00

MARK KORNFELD, RECEIVER
 RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	10/07/22	B110	Confer, meet with, advise L. Humphries regarding Interim Report, equity interest in Zephyr, responding to claimant queries about second distribution motion and timing, pending motion to sell condos and Buyer and agent queries relating to same, tangible items to be consigned or donated, analysis on timing to potentially do final distribution, and timing and approach for winding down of estates even with presence of open, installment payments settlements and possession of miscellaneous low, no value assets.	3.00	1,312.50
M. A. Kornfeld	10/10/22	B110	Review, amplify, clarify issues and updates from the third quarter for next Interim Report.	1.00	437.50
M. A. Kornfeld	10/11/22	B110	Calls, emails, confer, with L. Humphries regarding Supplemental Notice and papers regarding Motion to sell condos, Interim Report, equity investment, adjustment to market conditions, write-offs.	1.50	656.25
M. A. Kornfeld	10/12/22	B110	Meeting with, advise, emails throughout day with L. Humphries regarding Interim Report, tax questions, estate administration, consignment or donation of miscellaneous property, sale of condos supplemental papers, ongoing escrow obligations, Zephyr, claimant inquiries, second distribution.	2.50	1,093.75
M. A. Kornfeld	10/14/22	B110	Review, analyze confer with L. Humphries regarding sale of condos, supplemental notice to court, addressing Buyer and agent, equity process for sale, review of communications and receivership Order and motion papers.	3.00	1,312.50
M. A. Kornfeld	10/17/22	B110	Emails, calls, review revise throughout day with L. Humphries regarding supplemental motion, meet and confers, second motion for distribution to claimants, nature of supplemental filing, strategy, Interim Report.	1.90	831.25

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	10/18/22	B110	Calls, emails throughout day with L. Humphries on strategy, distributions, sale of condos, discussions with Broker and Buyer, substantive, legal practical business issues being caused by delay.	2.00	875.00
M. A. Kornfeld	10/18/22	B110	Review, revise Notice to Court.	0.30	131.25
M. A. Kornfeld	10/19/22	B110	Review, analyze comments to Interim Report, supplemental sale of condos motion, strategy and timing for delivering funds to claimants.	2.00	875.00
L. Humphries	10/20/22	B110	Drafted update to motion regarding conferral with counsel for Mr. Williams.	0.20	54.00
M. A. Kornfeld	10/20/22	B110	Emails, confer, meet with L. Humphries regarding strategy for distributions and possible wind down to administrative estate.	1.50	656.25
L. Humphries	10/20/22	B110	Receipt and review of correspondence from Mr. Williams' counsel.	0.10	27.00
L. Humphries	10/23/22	B110	Communicated with Receiver's Real Estate Professionals regarding notice filed before the Court.	0.20	54.00
L. Humphries	10/24/22	B110	Phone conference with counsel for Buyer regarding passage of time.	0.40	108.00
L. Humphries	10/24/22	B110	Phone conference with Receiver regarding revised language to original and amended Purchase and Sale Agreement.	0.40	108.00
L. Humphries	10/24/22	B110	Receipt and review of correspondence from SEC on court's order.	0.10	27.00
L. Humphries	10/25/22	B110	Communicated with Receiver's professionals regarding issue with proposed sale.	0.40	108.00
L. Humphries	10/25/22	B110	Communicated with Puerto Rico counsel on Buyer termination.	0.30	81.00
L. Humphries	10/25/22	B110	Receipt and review of correspondence from SEC.	0.10	27.00
L. Humphries	10/25/22	B110	Preparation of various correspondence with Ben Rivera.	0.20	54.00
L. Humphries	10/25/22	B110	Attendance at phone conference with the Receiver on selection of closing date for sale of real property.	0.40	108.00
L. Humphries	10/25/22	B110	Phone conference with Receiver on sale of condos.	1.00	270.00

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	10/25/22	B110	Receipt and review of various email correspondence to KineticReceivership email address.	0.20	54.00
L. Humphries	10/26/22	B110	Communicated with Receiver's professionals regarding proposed sale.	0.50	135.00
L. Humphries	10/27/22	B110	Exchanged correspondence with counsel for prospective Buyer.	0.20	54.00
L. Humphries	10/27/22	B110	Communicated with Puerto Rico counsel regarding Power of Attorney.	0.30	81.00
L. Humphries	10/28/22	B110	Preparation of update to Interim Report.	2.00	540.00
L. Humphries	10/31/22	B110	Attendance at phone conference regarding Specific Performance Issue.	0.40	108.00
M. A. Kornfeld	10/31/22	B110	Review, analyze specific performance memo requested.	0.40	175.00
L. Humphries	11/01/22	B110	Drafted correspondence to Allan Rivera.	0.10	27.00
L. Humphries	11/01/22	B110	Phone conference Broker, Buyer regarding escrow.	0.30	81.00
L. Humphries	11/01/22	B110	Reviewed Order from Judge Flynn.	0.10	27.00
L. Humphries	11/01/22	B110	Reviewed draft Confidentiality Agreement sent from counsel for prospective Buyer.	0.40	108.00
L. Humphries	11/07/22	B110	Drafted Motion for Approval of Private Sale regarding amended price terms.	2.00	540.00
L. Humphries	11/08/22	B110	Assessed draft Addendum to Purchase and Sale Agreement regarding amendment to sale price of Villa Gabriel.	0.40	108.00
L. Humphries	11/09/22	B110	Phone conference with Allan Rivera regarding addendum edits.	0.30	81.00
L. Humphries	11/09/22	B110	Attendance at phone conference with Ben Rivera regarding showing of property.	0.30	81.00
L. Humphries	11/10/22	B110	Communicated with Buyer's counsel Allan Rivera regarding closing date and offer terms.	0.20	54.00
L. Humphries	11/10/22	B110	Attendance at conference with the Receive regarding prospective sale.	0.20	54.00
L. Humphries	11/11/22	B110	Drafted update regarding Zephyr claim.	0.30	81.00
L. Humphries	11/11/22	B110	Drafted update to addendum.	0.30	81.00
L. Humphries	11/11/22	B110	Preparation of edits to draft Motion.	0.40	108.00
L. Humphries	11/11/22	B110	Attendance at phone conference with claimant investor.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/14/22	B110	Review finalize motion to sell condos. Confer with L. Humphries, regarding same.	1.50	656.25
M. A. Kornfeld	11/14/22	B110	Review, analyze Williams opposition and draft and advise L. Humphries of comments regarding reply to same.	2.00	875.00
L. Humphries	11/14/22	B110	Attendance at phone conference with prospective Buyer's counsel regarding language of addendum.	0.60	162.00
L. Humphries	11/15/22	B110	Communicated with prospective purchaser on sale approval.	0.30	81.00
L. Humphries	11/15/22	B110	Drafted Reply Motion to Defendant William's Response to Receiver's Motion for Expedited Approval of Amended Purchase Price for Real Property.	1.80	486.00
M. A. Kornfeld	11/15/22	B110	Emails, review, revise confer w L. Humphries regarding response to Mr. Williams' opposition to Receiver's motion to sell condos at adjusted price.	1.70	743.75
M. A. Kornfeld	11/15/22	B110	Emails confer with L. Humphries regarding Court Order granting Receiver's motion to sell condos on expedited basis, advise broker and Buyer and commission relating to same, confer with L. Humphries regarding publication and closing.	2.00	875.00
L. Humphries	11/15/22	B110	Receipt and review of approval from the Court on the amended sale price.	0.20	54.00
L. Humphries	11/17/22	B110	Preparation of various correspondence to Ben Rivera.	0.20	54.00
L. Humphries	11/18/22	B110	Communicated with administrator at newspaper publishing company regarding sale publication.	0.30	81.00
L. Humphries	11/18/22	B110	Receipt and review of correspondence from Ben Rivera.	0.20	54.00
L. Humphries	11/22/22	B110	Communicate with claimant investor.	0.30	81.00
L. Humphries	11/25/22	B110	Communicated with Receiver's real estate professionals regarding publication time line.	0.20	54.00
L. Humphries	11/26/22	B110	Reviewed various investor communications regarding court deadlines.	0.40	108.00

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	11/28/22	B110	Communicated with counsel in Puerto Rico regarding closing documents.	0.40	108.00
L. Humphries	11/28/22	B110	Preparation of various correspondence to Bill Price.	0.20	54.00
L. Humphries	11/28/22	B110	Review of Tax returns to determine 2021 issue.	0.40	108.00
L. Humphries	11/29/22	B110	Drafted correspondence to Buyer's counsel regarding notice.	0.10	27.00
L. Humphries	11/29/22	B110	Preparation of various correspondence to Tax Professional Bill Price.	0.20	54.00
L. Humphries	11/29/22	B110	Phone conference with investor regarding distribution details and closing time line.	0.40	108.00
L. Humphries	12/01/22	B110	Reviewed investor files regarding continued distribution and administration of final asset collection.	1.80	486.00
L. Humphries	12/02/22	B110	Phone conference regarding update to Receiver's website.	0.30	81.00
L. Humphries	12/07/22	B110	Communicated with T.M. regarding settlement agreement payments.	0.30	81.00
L. Humphries	12/12/22	B110	Communicated with real estate professionals regarding closing issues.	1.20	324.00
M. A. Kornfeld	12/12/22	B110	Follow up, direct L. Humphries on closing and taxes and year end estate items.	0.50	218.75
L. Humphries	12/15/22	B110	Communicated with Zephyr principal Jeffrey O'Neill.	0.20	54.00
M. A. Kornfeld	12/16/22	B110	Follow up with advisors on tax issues, write -offs for Zephyr investment, analysis, and closing on sale of condo.	1.50	656.25
L. Humphries	12/20/22	B110	Preparation of draft correspondence regarding settlement agreements.	0.50	135.00
L. Humphries	12/21/22	B110	Preparation of various correspondence regarding tax analysis.	0.40	108.00
L. Humphries	12/22/22	B110	Receipt and review of various emails from K. Vanater regarding payments from investor.	0.20	54.00
L. Humphries	12/26/22	B110	Phone conference with investor claimant.	0.30	81.00
L. Humphries	12/27/22	B110	Communicated with HOA association regarding payoff amount for real property.	0.30	81.00

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	12/27/22	B110	Drafted notice publication to be filed regarding Sarasota Herald.	0.20	54.00
L. Humphries	12/28/22	B110	Drafted correspondence to Villa Gabriela property management to determine close out.	0.20	54.00
L. Humphries	12/28/22	B110	Added publication to Receiver's website.	0.20	54.00
Subtotal Case Administration				59.80	20,932.50
Asset Analysis and Recovery					
L. Humphries	10/03/22	B120	Update to Receiver's website to provide recent information to public clients.	0.40	108.00
L. Humphries	10/04/22	B120	Drafted update to Interim Report.	0.70	189.00
M. A. Kornfeld	10/04/22	B120	Review, analyze, direct responses to recent investor communications, open repayment settlement issues as to Lendacy borrowers.	2.00	875.00
L. Humphries	10/05/22	B120	Communicated with claimant on question on process.	0.30	81.00
L. Humphries	10/06/22	B120	Communicated with investor claimant regarding sale of real property and website information.	0.40	108.00
L. Humphries	10/06/22	B120	Communicated with Receiver's forensic accountants regarding distribution to claimants.	0.40	108.00
L. Humphries	10/06/22	B120	Assessed documents for conference with Bill Price on tax matters per the Receiver.	0.60	162.00
L. Humphries	10/06/22	B120	Drafted responsive public correspondence to investor claimant.	0.10	27.00
L. Humphries	10/07/22	B120	Review and analysis of Zephyr communication prior to phone conference with principal.	0.30	81.00
L. Humphries	10/13/22	B120	Reviewed correspondence regarding amounts owned on real property.	0.20	54.00
L. Humphries	10/13/22	B120	Phone conference with property manager regarding what is owed on real property of Receivership.	0.40	108.00
L. Humphries	10/14/22	B120	Draft Supplemental Notice of Status to Court on Buyer in sale of real property.	1.00	270.00

MARK KORNFELD, RECEIVER
 RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	10/17/22	B120	Drafted Notice for Court on Docket entry 275 (Motion for Approval of Sale of Real Property).	1.20	324.00
L. Humphries	10/17/22	B120	Attendance at phone conference regarding PDR work on accounts.	0.50	135.00
L. Humphries	10/18/22	B120	Phone conference with Receiver's professionals regarding second interim distribution.	1.20	324.00
L. Humphries	10/19/22	B120	Communicated with investor claimant and her mother regarding distribution.	0.40	108.00
L. Humphries	10/19/22	B120	Communicated with Mr. Williams' counsel Jon Jacobson regarding relief requested in prior Motion.	0.30	81.00
L. Humphries	10/19/22	B120	Draft edits to filing on Villa Gabriela Properties sale.	0.60	162.00
L. Humphries	10/19/22	B120	Receipt and review of various emails from SEC counsel.	0.10	27.00
L. Humphries	10/19/22	B120	Draft Interim Report for filing with Court.	2.50	675.00
L. Humphries	10/19/22	B120	Preparation of email correspondence to claimant regarding website update.	0.10	27.00
L. Humphries	10/19/22	B120	Drafted correspondence to all parties and counsel for Mr. Williams regarding Notice to Court.	0.20	54.00
L. Humphries	10/19/22	B120	Receipt and review of email from investor claimant.	0.10	27.00
L. Humphries	10/20/22	B120	Receipt and review of correspondence from claimant.	0.10	27.00
L. Humphries	10/20/22	B120	Preparation of updated email designations for Court.	0.20	54.00
L. Humphries	10/20/22	B120	Drafted various correspondence to Bill Price regarding tax matters.	0.20	54.00
L. Humphries	10/21/22	B120	Preparation of review of Amended SFAR statement from PDR advisors.	0.40	108.00
L. Humphries	10/21/22	B120	Communicated with real estate professionals regarding Motion for Approval of Sale and Buyer concern issues.	0.30	81.00

MARK KORNFELD, RECEIVER
 RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	10/21/22	B120	Confer, multiple calls, emails throughout day with L. Humphries, Real Estate Broker, regarding sale of condos, Motion to court; review, analyze, correspondence for termination of agreement; analyze options for specific performance, closing mitigation of damages, discussions regarding strategies, options.	3.50	1,531.25
L. Humphries	10/23/22	B120	Receipt and review of correspondence from Ben Rivera.	0.10	27.00
L. Humphries	10/24/22	B120	Communicated with Puerto Rico counsel for Buyer of Villa Gabriel Property regarding potential termination of agreement by Buyer.	0.50	135.00
L. Humphries	10/24/22	B120	Assessed language in Judge Scriven's Order approval Real Property Sale.	0.20	54.00
L. Humphries	10/24/22	B120	Drafted correspondence to Buyer on sale.	0.10	27.00
L. Humphries	10/24/22	B120	Drafted brief to Court on rescission by prospective Buyer.	0.50	135.00
L. Humphries	10/24/22	B120	Prepare filings, documents regarding issue with Buyer purported termination including notice to the court, conference with Receiver, and communicator with Receiver's Real Estate Professionals.	3.50	945.00

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	10/24/22	B120	Meet, confer, strategize with L. Humphries, regarding letter received from Buyer and Court's order regarding sale of condos; review analyze statutory overbidding procedures and potential discussions with existing Buyer regarding "credit" due to passage of time and change to interest rates; discuss, call to SEC regarding developments on sale of condos; confer with L. Humphries regarding coordinating potential closing date and Mr. Williams going to condos to retrieve personal belongings per the Court's Order; confer with L. Humphries regarding publication of Notice of Court Order in relevant newspapers to start the statutory overbidding clock running.	2.50	1,093.75
L. Humphries	10/24/22	B120	Attendance at phone conference regarding Motion before Court.	0.20	54.00
L. Humphries	10/24/22	B120	Attendance at phone conference with Receiver regarding effectuating sale.	0.30	81.00
L. Humphries	10/24/22	B120	Receipt and review of Order granting Motion for Approval of Private Sale and preparation of various correspondence to broker, Buyer, real estate professionals and Receiver regarding same.	0.40	108.00
L. Humphries	10/24/22	B120	Reviewed supplemental offer on Villa Gabriela Property from already contracted Buyer.	0.20	54.00
L. Humphries	10/25/22	B120	Researched statutory overbid procedures and performed other tasks related to effectuating sale.	0.80	216.00
L. Humphries	10/25/22	B120	Drafted edits to publication for Puerto Rico and Sarasota newspapers regarding sale pursuant to sale and overbid procedures.	0.60	162.00
L. Humphries	10/25/22	B120	Attendance at phone conference with counsel for Buyer regarding termination.	0.50	135.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	10/25/22	B120	Multiple calls, emails, confer with L. Humphries, SEC regarding Buyer expressing formal anticipatory breach of purchase and sale agreement, strategic legal options, conference call with Buyer and attorney next week, negotiating price, soliciting other bidders, confer with L. Humphries regarding meet and confer call with Buyer and attorney for week of October 31; emails to broker regarding inventory and supervising any Mr. Williams visit to the condos to remove personal belongings.	4.00	1,750.00
L. Humphries	10/26/22	B120	Communicated with B. Rivera Iglesias regarding communication with Buyer.	0.30	81.00
L. Humphries	10/26/22	B120	Attendance at conference with Receiver and real property professionals regarding issues with Buyer and proposed sale.	0.70	189.00
L. Humphries	10/26/22	B120	Receipt and review of correspondence from Puerto Rico newspaper regarding publication.	0.20	54.00
L. Humphries	10/26/22	B120	Preparation of update to Interim Report.	0.40	108.00
L. Humphries	10/26/22	B120	Communicated with counsel for Buyer regarding meeting with Receiver and sale.	0.30	81.00
L. Humphries	10/26/22	B120	Receipt and review of various correspondence from management company regarding issues with condominium property.	0.20	54.00
M. A. Kornfeld	10/26/22	B120	Calls, emails documents, analysis throughout the day regarding options in light of Buyer's letter to terminate, calls with SEC relating to same, calls with broker, counsel, L Humphries regarding publication, notice, motions to be made to court, next steps.	3.00	1,312.50
L. Humphries	10/26/22	B120	Attendance at meeting with A. Dragovich regarding status of sale or condos.	0.40	108.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	10/27/22	B120	Receipt and review of various correspondence from condominium owners.	0.20	54.00
L. Humphries	10/27/22	B120	Conference with the Receiver regarding condominium issues.	0.40	108.00
M. A. Kornfeld	10/27/22	B120	Calls with Puerto Rico counsel, brokers, discussions with L. Humphries regarding pricing, renegotiation of purchase price, Interim Report, publication of notice, legal position from Buyer, specific performance, escrow monies, response to inquiries from homeowner's association about leaks, patio, access, financial responsibility to address ongoing damage incurred, Zephyr equity interest.	3.50	1,531.25
L. Humphries	10/28/22	B120	Communicated regarding property insurance issue.	0.30	81.00
L. Humphries	10/28/22	B120	Receipt and review of correspondence regarding leak issue.	0.10	27.00
L. Humphries	10/28/22	B120	Drafted correspondence to J. Czarneski regarding condominium leak.	0.10	27.00
L. Humphries	10/28/22	B120	Attendance at phone conference with Receiver.	0.40	108.00
L. Humphries	10/28/22	B120	Assessed Power of Attorney Documents provided by Puerto Rico real estate counsel.	0.40	108.00
M. A. Kornfeld	10/29/22	B120	Review analyze case law on breach, anticipatory breach of real estate purchase and sale agreement. Anticipatory breach.	1.50	656.25
L. Humphries	10/31/22	B120	Per statutory requirements on Publication, communicated with newspaper regarding print publication for overbid and publication procedures.	0.20	54.00
L. Humphries	10/31/22	B120	Communicated with Receiver's professionals on Buyer issues with properties.	0.30	81.00
L. Humphries	10/31/22	B120	Drafted correspondence to J. O'Neill, principal at Zephyr regarding Estate's equity interest.	0.20	54.00
L. Humphries	10/31/22	B120	Conference with the Receiver on sale of condos.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	10/31/22	B120	Reviewed research regarding specific performance remedy in connection with agreed to sale of Villa Gabriel.	0.40	108.00
M. A. Kornfeld	10/31/22	B120	Meeting, confer with L. Humphries regarding call with Buyer's counsel, efforts to renegotiate pricing, notice of order, publication, preparation of new motion based on exercise of Receivers' business judgment, next steps to market sell condos to timely convert asset to cash for claimants, update on status of Zephyr equity investment.	4.00	1,750.00
L. Humphries	11/01/22	B120	Conference with Receiver with Buyer regarding prospective sale of Villa Gabriel.	0.60	162.00
M. A. Kornfeld	11/01/22	B120	Prepare for, review, analyze agreements case law prior negotiations, file, for phone call and updated negotiations with Buyer and counsel for same in light of Court Order, and letter notice of purported termination of agreement by Buyer and calls with L. Humphries and broker B. Rivera regarding same.	3.50	1,531.25
L. Humphries	11/01/22	B120	Phone conference with Jeffrey O'Neil, Principal at Zephyr Aerospace regarding state of company investment.	0.60	162.00
L. Humphries	11/01/22	B120	Phone conference with Receiver regarding briefing arguments for Court.	0.40	108.00
L. Humphries	11/02/22	B120	Communicated with Adam Sharp of E-Hounds regarding data hosting.	0.30	81.00
L. Humphries	11/02/22	B120	Communicated with Ron During regarding website.	0.20	54.00
M. A. Kornfeld	11/02/22	B120	Calls, emails confer with L. Humphries, Broker, dealer, lawyers regarding sale of condos, appraisals, reduction in price strategic options approach to modification or amendment to purchase and sale agreement review analyze case law specific performance for breach of contract.	4.00	1,750.00
L. Humphries	11/03/22	B120	Communicated with Servis first regarding account management and wires.	0.20	54.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/03/22	B120	Calls, emails throughout day to follow up with broker and counsel on options to manage sale of condos, condition of units, other prospective purchasers and next steps post statutory overbidding period expiring	3.00	1,312.50
M. A. Kornfeld	11/04/22	B120	Calls, emails, analysis, discussions regarding sale of condos at potentially reduced price due to purported termination market changes and cost to litigate.	2.00	875.00
M. A. Kornfeld	11/06/22	B120	Outline, legal and equitable issues and questions for discussion with L. Humphries to work to draft substantive addendum to purchase and sale of Villa Gabriella with original Buyer on reduced pricing.	1.70	743.75
L. Humphries	11/07/22	B120	Phone conference with Alan Rivera on prospective sale.	0.40	108.00
L. Humphries	11/07/22	B120	Call with prospective Buyer.	0.40	108.00
L. Humphries	11/07/22	B120	Phone conference with Ben Rivera regarding showing of Villa Gabriel to potential purchaser.	0.30	81.00
L. Humphries	11/07/22	B120	Attendance at phone conference with Allan Rivera regarding further negotiations on sale.	0.40	108.00
M. A. Kornfeld	11/07/22	B120	Throughout day confer with L. Humphries, emails, instruct outside counsel, analyze legal and business issues associated with renegotiated purchase price, legal requirements, publication, notices, lowest rung of reasonableness, settlement of dispute versus cost of litigation, impact on estates and distributions, cost savings by reducing monthly expenses and repairs.	3.20	1,400.00
L. Humphries	11/08/22	B120	Drafted Motion to Approve Amended Sale Price for Villa Gabriela Property.	2.00	540.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/08/22	B120	Review, analyze, confer with L. Humphries on Motion to approve sale on renegotiated purchase price, case law, scope of receiver discretion in sale of real property due to change in market conditions and interest rates, review cost-benefit scenarios and analysis after discussions with real estate professionals.	3.20	1,400.00
L. Humphries	11/09/22	B120	Draft correspondence to Allan Rivera regarding changes in draft language.	0.10	27.00
L. Humphries	11/09/22	B120	Draft further edits to Motion to Approval Amended Sale Purchase Price.	0.50	135.00
L. Humphries	11/09/22	B120	Edits to Addendum to Purchase and Sale Contract with Rothstein.	0.80	216.00
M. A. Kornfeld	11/09/22	B120	Confer with, direct L. Humphries regarding same throughout the day on sale issues.	1.00	437.50
M. A. Kornfeld	11/09/22	B120	Review, revise, analyze, negotiate revised Purchase and Sale Agreement and addendum to same throughout day.	4.00	1,750.00
L. Humphries	11/09/22	B120	Prepare edits to filing regarding amended Motion to Approve Amended Sale Price for Private Sale of Villa Gabriela.	2.50	675.00
L. Humphries	11/10/22	B120	Preparation of edits to draft motion on sale.	0.50	135.00
L. Humphries	11/10/22	B120	Receipt and review of email correspondence from SEC on update to sale.	0.10	27.00
M. A. Kornfeld	11/10/22	B120	Calls, emails, review, revise papers for sale of condos.	2.00	875.00
L. Humphries	11/11/22	B120	Communicated with Allan Riveria regarding addendum to contract.	0.30	81.00
L. Humphries	11/11/22	B120	Communicated with counsel for Defendant Williams regarding Motion on Amended Price of Sale Contract.	0.20	54.00
L. Humphries	11/11/22	B120	Preparation of various steps to ensure Addendum signed by purchaser.	0.40	108.00
L. Humphries	11/11/22	B120	Attendance at further phone conferences with counsel for purchaser on prospective sale.	0.60	162.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/11/22	B120	Review, revise papers in support of sale of condos and revised purchase price, multiple emails calls with L. Humphries, S. Moot, local counsel, broker throughout day regarding same regarding timing regarding reservation of rights.	4.00	1,750.00
L. Humphries	11/14/22	B120	Preparation of edits to Motion for Approval of Amended Sale.	0.40	108.00
L. Humphries	11/14/22	B120	Reviewed Defendant Williams Response in Opposition to Receiver's Motion to Approve Sale at Amended Purchase Price.	0.40	108.00
L. Humphries	11/14/22	B120	Attendance at phone conference with the Receiver.	0.30	81.00
L. Humphries	11/15/22	B120	Communicated with real estate professionals on sale logistics.	0.20	54.00
L. Humphries	11/15/22	B120	Preparation of edits to response briefing on Motion for Approval.	0.40	108.00
L. Humphries	11/16/22	B120	Communicated with the Receiver on sale terms.	0.20	54.00
L. Humphries	11/16/22	B120	Drafted Notice of Publication regarding amended sale terms.	0.20	54.00
L. Humphries	11/16/22	B120	Initiated publication and overbid procedures due to court approval of sale.	0.30	81.00
M. A. Kornfeld	11/16/22	B120	Follow up, direct, advise, confer throughout day with L. Humphries s on sale of condos and distributions and winding down of estate.	1.70	743.75
L. Humphries	11/17/22	B120	Draft correspondence to Allan Rivera.	0.10	27.00
M. A. Kornfeld	11/17/22	B120	Emails, confer with L. Humphries regarding sale of condos and outline timing for third interim distribution.	1.00	437.50
L. Humphries	11/17/22	B120	Attendance at phone conference with Allan Rivera regarding closing time line.	0.30	81.00
L. Humphries	11/18/22	B120	Communicated with Receiver's real estate professionals regarding sale details.	0.20	54.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/18/22	B120	Attend throughout day to ongoing administrative, tax issues, publication notices, third distribution planning, and year-end versus 2023 analysis relating to same.	2.00	875.00
M. A. Kornfeld	11/22/22	B120	Review, analyze publication notices, resolving outstanding issues for closing sale of condos listed.	1.50	656.25
L. Humphries	11/25/22	B120	Communicated with investors regarding status of interim motion.	0.30	81.00
L. Humphries	11/28/22	B120	Preparation of various tasks for closing on Puerto Rican property.	1.60	432.00
L. Humphries	11/28/22	B120	Preparation of various correspondence to Receiver's counsel regarding closing time line.	0.20	54.00
L. Humphries	11/28/22	B120	Preparation of amendment to notice publication.	0.20	54.00
M. A. Kornfeld	11/28/22	B120	Follow up regarding publication, tax implications of sale, strategy for distribution, setting closing date, equity investment update. and follow up to court regarding second interim distribution.	1.00	437.50
L. Humphries	11/28/22	B120	Meet with Receiver regarding sale of real property and closing issues.	0.40	108.00
L. Humphries	11/28/22	B120	Review of various correspondence from Allan Rivera.	0.20	54.00
L. Humphries	11/29/22	B120	Drafted correspondence to claimant investor regarding Villa Gabriela.	0.10	27.00
L. Humphries	11/29/22	B120	Drafted correspondence regarding closing date to Allan Rivera.	0.10	27.00
L. Humphries	11/29/22	B120	Receipt and review of correspondence from claimant investor requesting information on the sale.	0.10	27.00
L. Humphries	11/29/22	B120	Drafted correspondence to Tax Professional Bill Price on appraisal value.	0.10	27.00
L. Humphries	11/29/22	B120	Draft correspondence to claimant investor on sale.	0.10	27.00
L. Humphries	11/29/22	B120	Reviewed documents regarding taxable issues for income in the 2022 year.	0.50	135.00
L. Humphries	11/29/22	B120	Attendance at phone conference with Allan Rivera.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	11/29/22	B120	Phone conference with PDR CPAs regarding tax issues.	0.60	162.00
L. Humphries	12/01/22	B120	Draft Motion regarding distribution notice.	1.20	324.00
L. Humphries	12/05/22	B120	Reviewed documents for Puerto Rican counsel related to closing details for Villa Gabriela Property.	0.50	135.00
L. Humphries	12/06/22	B120	Communicated with Receiver's real estate professionals regarding appraisal issue for closing documents.	0.30	81.00
L. Humphries	12/06/22	B120	Drafted correspondence regarding Zephyr claim.	0.10	27.00
L. Humphries	12/06/22	B120	Phone conference with investor regarding payment plan.	0.30	81.00
L. Humphries	12/07/22	B120	Communicated with Receiver's Real Estate Professionals regarding sale.	0.30	81.00
L. Humphries	12/07/22	B120	Draft correspondence to investor regarding payment plan.	0.10	27.00
L. Humphries	12/07/22	B120	Draft update to Receiver on closing issues.	0.20	54.00
L. Humphries	12/07/22	B120	Phone conference with Receiver's professional regarding distribution.	0.70	189.00
L. Humphries	12/08/22	B120	Communicated with Jeffrey O'Neill regarding Zephyr meeting and claim.	0.30	81.00
L. Humphries	12/12/22	B120	Draft notice application for closure of publication and overbid period.	0.40	108.00
L. Humphries	12/13/22	B120	Communized regarding details of closing documents.	0.80	216.00
L. Humphries	12/13/22	B120	Communicated with counsel for purchaser regarding closing date issue and documents for closing of real property.	0.40	108.00
L. Humphries	12/14/22	B120	Draft correspondence to J. O'Neill regarding Zephyr documents.	0.10	27.00
L. Humphries	12/14/22	B120	Drafted correspondence to T. M.	0.10	27.00
L. Humphries	12/14/22	B120	Draft various correspondence to Puerto Rican counsel regarding closing date issues.	0.20	54.00
L. Humphries	12/14/22	B120	Attendance at phone conference with SEC counsel.	0.20	54.00
L. Humphries	12/14/22	B120	Receipt and review of correspondence from T. M.	0.10	27.00
L. Humphries	12/14/22	B120	Phone conference with the Receiver.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	12/14/22	B120	Phone conference with J.O. regarding Mr. William's Investment.	0.40	108.00
L. Humphries	12/15/22	B120	Receipt and review of T.M. package regarding payment.	0.20	54.00
L. Humphries	12/15/22	B120	Receipt and review of correspondence from Jeffrey O'Neill.	0.10	27.00
L. Humphries	12/15/22	B120	Receipt and review of correspondence from Buyer's counsel regarding health condition of purchaser.	0.10	27.00
L. Humphries	12/15/22	B120	Attendance at conference with the Receiver.	0.20	54.00
M. A. Kornfeld	12/21/22	B120	Review settlement agreement, breach of same, follow up on Zephyr investment.	1.50	656.25
L. Humphries	12/22/22	B120	Draft correspondence regarding Zephyr claim.	0.20	54.00
L. Humphries	12/22/22	B120	Phone conference regarding T.M. Servis issue.	0.30	81.00
L. Humphries	12/26/22	B120	Review and analysis of Receiver task list regarding asset collections.	0.30	81.00
L. Humphries	12/27/22	B120	Draft various correspondence to investor regarding payment issue.	0.20	54.00
L. Humphries	12/27/22	B120	Receipt and review of correspondence from T.M..	0.10	27.00
L. Humphries	12/28/22	B120	Communicated with Tax Professional Bill Price regarding tax issues for estate.	0.20	54.00
L. Humphries	12/28/22	B120	Draft various communications to Bill Price.	0.30	81.00
L. Humphries	12/29/22	B120	Phone conference with Bill Price regarding tax issues.	0.40	108.00
L. Humphries	12/30/22	B120	Draft various correspondence to Bill Price.	0.20	54.00
Subtotal Asset Analysis and Recovery				120.60	43,332.25
Asset Disposition					
M. A. Kornfeld	10/06/22	B130	Review, analyze, throughout day, claimant information and documents for second and motion for third distribution and assess reserves.	2.00	875.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	11/10/22	B130	Review, analyze, wind down options, administrative estates ongoing settlements, equity interest and how to monetize it.	2.50	1,093.75
M. A. Kornfeld	11/21/22	B130	Outline draft for third distribution and review issues for winding down estate.	2.20	962.50
M. A. Kornfeld	11/29/22	B130	Emails, confer with counsel L. Humphries regarding closing, the Buyer potentially utilizing Power of Attorney, and distribution of proceeds discussion with tax professional B. Price.	2.50	1,093.75
M. A. Kornfeld	11/30/22	B130	Emails, confer with L. Humphries regarding issues with sale of condos, publication, closing power of attorney.	1.00	437.50
M. A. Kornfeld	12/01/22	B130	Meeting, confer, with L Humphries throughout day, regarding closing on purchase and sale, publication, second interim distribution, preparing for third interim distribution, tax analysis, equity, carry forward of settlement payments, administrative estate 2023, next steps.	1.80	787.50
M. A. Kornfeld	12/02/22	B130	Review, analyze publication notice, work on issues relating to closing of purchase and sale, powers of attorney, 2022 tax matters, follow up relating to pending motion for second distribution.	1.50	656.25
M. A. Kornfeld	12/05/22	B130	Review draft Motion for third distribution, issues relating to reserves, taxes, administration of same.	1.50	656.25
M. A. Kornfeld	12/06/22	B130	Confer with L. Humphries on open issues relating to closing purchase and sale of condos.	0.50	218.75
M. A. Kornfeld	12/07/22	B130	Emails, review, analysis, confer with L. Humphries regarding taxes, equity investments, publication of notice, closing documents, next steps, motion for second distribution.	2.00	875.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	12/09/22	B130	Follow up analysis, outline approach throughout day with direct L. Humphries regarding motion for distribution, closing on sale of condos, equity investment, third motion to distribute, wind down opportunities q1 2023.	1.80	787.50
M. A. Kornfeld	12/13/22	B130	Review, analyze open issues for closing sale of condos.	0.50	218.75
M. A. Kornfeld	12/14/22	B130	Calls with L. Humphries regarding issues with Buyer and sale and time; call with Zephyr regarding investment; confer with L. Humphries on year end items and winding down after interim distribution.	2.00	875.00
M. A. Kornfeld	12/15/22	B130	Calls, emails, confer with L. Humphries on sale of condos, closing, tax issues, Zephyr throughout day.	2.00	875.00
M. A. Kornfeld	12/26/22	B130	Emails with L. Humphries regarding taxes, sale of condos distributions settlement with TM, Interim Report and wind down.	0.80	350.00
M. A. Kornfeld	12/27/22	B130	Review emails, analysis, with L. Humphries regarding taxes, sale of condos, Zephyr, settlements, distributions write offs and winding down 2023.	1.70	743.75
M. A. Kornfeld	12/28/22	B130	Review emails, documents from outside (foreign) counsel on sale of condos and follow up relating to same.	1.00	437.50
Subtotal Asset Disposition				27.30	11,943.75
Tax Issues					
M. A. Kornfeld	12/19/22	B240	Review, analyze, handle administrative tax and year end filing matters and third interim distribution issues.	1.50	656.25
M. A. Kornfeld	12/22/22	B240	Review files tend to tax and administrative year end matters for estate.	1.00	437.50

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Timekeeper	Date	Task	Narrative	Hours	Amount
Subtotal Tax Issues				2.50	1,093.75
Total Hours				210.20	
Total Fees					\$77,302.25

DESCRIPTION OF COSTS

	Description	Amount
10/26/22	Miscellaneous Lauren V. Humphries Legal Ad Public Notice - clasificados.pr	119.21
10/26/22	Miscellaneous Lauren V. Humphries Legal Ad Public Notice - Sarasota Herald-Tribune	173.25
10/28/22	On-Line Search Service - PACER	8.40
11/28/22	Miscellaneous Lauren V. Humphries Legal Ad Public Notice (Amended) - Sarasota Herald-Tribune	173.25
11/28/22	Miscellaneous Lauren V. Humphries Legal Ad Public Notice (Amended) - clasificados.pr	119.75
12/14/22	Miscellaneous Lauren V. Humphries Legal Ad Public Notice - LOCALiQ	178.50
Total Costs		\$772.36

Amount Due This Invoice:	\$78,074.61
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TIMEKEEPER SUMMARY

Name	Title	Hours	Rate	Amount
L. Humphries	Associate	82.30	270.00	22,221.00
M. A. Kornfeld	Partner	125.90	437.50	55,081.25
M. A. Kornfeld	Partner	2.00	N/C	N/C
Total		210.20		77,302.25



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

T 813 222 8180
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REMITTANCE STATEMENT

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

January 12, 2023
Invoice No. 12210147

Our Reference:	0103373-000001
Client Name:	MARK KORNFELD, RECEIVER
Invoice Date:	January 12, 2023
Invoice Number:	12210147
Total Due This Invoice:	\$78,074.61

Total Due All Invoices For this Matter:	\$78,074.61
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PLEASE RETURN THIS REMITTANCE STATEMENT WITH YOUR PAYMENT THANK YOU

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

Wire / ACH Information
PNC Bank, N.A.
Buchanan Ingersoll & Rooney Operating Account
Account #: 1133081072
Routing#: 043000096
SWIFT CODE: PNCCUS33
Please Reference 0103373-000001 Invoice: 12210147

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 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
10/01/2022	10/31/2022	40302	\$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
Lauren V Humphries
813-222-1141

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	10/05/2022		E-Hounds Review Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

Payments Applied

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SUBTOTAL **\$495.00**TOTAL **\$495.00**
Balance Due **\$495.00**
Retainer Amount Remaining **\$0.00**
Please note: Our fees are subject to change annually. Last change: 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





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
11/01/2022	11/30/2022	40313	\$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
Lauren V Humphries
813-222-1141

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	11/05/2022		E-Hounds Review Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

Payments Applied

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SUBTOTAL **\$495.00**TOTAL **\$495.00****Balance Due** **\$495.00**Retainer Amount Remaining **\$0.00****Please note: Our fees are subject to change annually. Last change: 2/1/2022****Statement of Limited Liability and Financial Responsibility**

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E-Hounds also accepts:



Venmo: @ehounds

Zelle: support@ehounds.com

**venmo****PayPal**



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
12/01/2022	12/31/2022	41248	\$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
Lauren V Humphries
813-222-1141

Q	Date	Expedited	All quantities are based Hourly unless otherwise noted	Tech	Price	Ext
1	12/05/2022		E-Hounds Review Platform (incl 1 user seat) Courtesy Rate Monthly		\$495.00	\$495.00

All balances are due upon receipt. Thank you!

Payments Applied

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SUBTOTAL **\$495.00**TOTAL **\$495.00****Balance Due** **\$495.00**Retainer Amount Remaining **\$0.00****Please note: Our fees are subject to change annually. Last change: 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 “6c”

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

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
10/3/2022	Accounting & Auditing	TMW	Downloaded September Servis 1st statements, entered missing transactions, reconciled accounts, emailed Sabrina for assistance with the getting into Interactive Brokers.	1.75	\$ 125.00	\$ 218.75
10/10/2022	Accounting & Auditing	TMW	Emailed Sabrina for Interactive Broker statements	0.25	\$ 125.00	\$ 31.25
10/14/2022	Accounting & Auditing	TMW	Called Lauren and emailed for items needed	0.50	\$ 125.00	\$ 62.50
10/17/2022	Accounting & Auditing	TMW	Called Lauren to receive Interactive Broker statements	0.25	\$ 125.00	\$ 31.25
10/19/2022	Accounting & Auditing	TMW	Reconciled Interactive Broker accounts, printed Quickbooks reports and prepared Court Report for review	0.50	\$ 125.00	\$ 62.50
10/20/2022	Accounting & Auditing	GAH	Reviewed 3rd Quarter Fund Accounting Report	1.00	\$ 155.00	\$ 155.00
10/20/2022	Accounting & Auditing	WEP	Reviewed banking information	0.75	\$ 335.00	\$ 251.25
10/20/2022	Accounting & Auditing	TMW	Re-printed general ledger for 3rd quarter, confirmed with Lauren that the main focus is Servis 1st accounts only	0.50	\$ 125.00	\$ 62.50
10/21/2022	Accounting & Auditing	WEP	Reviewed final Fund Accounting Report	0.75	\$ 335.00	\$ 251.25
10/24/2022	Accounting & Auditing	GAH	Updated internal job sheet for 3rd quarter	0.25	\$ 125.00	\$ 31.25
	Total Accounting & Auditing			6.50		\$ 1,157.50

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

6.50

\$ 1,157.50



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

Invoice Date: 10/31/2022
Client Number: 45510.001
Invoice Number: 190380

Mark A. Kornfeld, Esq Receiver for Kinetic Investment Group, LL
SunTrust Financial Centre
401 East Jackson Street, Suite #2400
Tampa, FL 33602-5236

Detach here and return top portion.

Accounting services rendered during the month of October 2022

Current Invoice Amount	\$	1,157.50
Prior Balance		<u>5,085.00</u>
Total Amount Due	\$	<u>6,242.50</u>

0 - 30	31- 60	61 - 90	91 - 120	Over 120	Balance
1,157.50	2,345.00	0.00	1,671.25	1,068.75	6,242.50

Payment Due Upon Receipt.

To pay online, please visit: <https://tinyurl.com/paypdr CPA>

OR Pay via ACH

Type of Account: **Checking**
Financial Institution: **Bank United**
Transit Routing Number / ABA Number (9 digits): **267090594**
SWIFT Code: **BUFB US 3M**
Financial Institution Account Name: **PDR CPAs + Advisors Inc**
Financial Institution Account Number: **9854850082**

Interest at 1-1/2% will be added to balance outstanding at the end of each month.
Please return top portion with your check payable to: **PDR CPAs + Advisors**

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

EXHIBIT “6d”

IRW Law Office

INVOICE

PMB 721
1353 Ave Luis Vigoreaux
Guaynabo, PR 00966
USA

irwlawoffice@me.com
O: 7877750624

Number	201906014
Issue Date	1/16/2023
Due Date	2/15/2023
Email	lauren.humphries@bipc.com

Bill To:

Buchanan Ingersoll & Rooney
O: 813-222-2098

Time Entries

Time Entries	Billed By	Rate	Hours	Sub
Senior Attorney ZI 10/25/2022 Email exchange with Lauren Humphries regarding call with receiver, receipt of email from Sabrina Storno with documents (Order from Judge and Letter from Buyer's attorney). Review included documents for call tomorrow.	Zwindi M Iglesias	\$250.00	0.75	\$187.50
Senior Attorney ZI 10/26/2022 Conference Call with Lauren Humphries, Benjamin Rivera and Receiver regarding Buyer's letter of termination and next steps for completing closing on Villa Gabriela.	Zwindi M Iglesias	\$250.00	0.50	\$125.00
Senior Attorney ZI 10/27/2022 Review Power of Attorney documents executed by Receiver to confirm compliance for closing. Email communication with Lauren to confirm compliance and send documents as requested.	Zwindi M Iglesias	\$250.00	0.75	\$187.50
Senior Attorney ZI 11/1/2022 Call with Receiver, Lauren Humphries, Allan Rivera and Allan Rothstein regarding possible settlement on closing for Villa Gabriela. Various emails from Benjamin regarding offers.	Zwindi M Iglesias	\$250.00	1.00	\$250.00
Senior Attorney GD 11/29/2022 Brief meeting with Att. Iglesias, Re: Option Contract clauses on notaries (IRW) preparing closing and purchase deed.	Gabriela Díaz	\$250.00	0.25	\$62.50
Senior Attorney ZI 11/29/2022 Receive email from Lauren regarding status for the closing of Villa Gabriela and Notary of the closing. Review the option agreement to confirm IRW as Notary. Send email to Lauren with the confirmation of the Notary.	Zwindi M Iglesias	\$250.00	0.50	\$125.00
Senior Attorney ZI 12/6/2022 Call with Bengie Rivera regarding the value assigned to each of the properties separately. Send email to Lauren requesting the information for the closing.	Zwindi M Iglesias	\$250.00	0.50	\$125.00

Time Entries	Billed By	Rate	Hours	Sub
Senior Attorney ZI 12/8/2022 Request updated Title Studies for the 5 properties.	Zwindi M Iglesias	\$250.00	1.00	\$250.00
Senior Attorney ZI 12/12/2022 Call with Bengie for status on the availability of the purchaser for closing.	Zwindi M Iglesias	\$250.00	0.25	\$62.50
Senior Attorney ZI 12/13/2022 Call to Coral Bouret (broker for the purchaser) for information regarding the purchaser for closing. Call with Bengie to discuss conversation with Coral. Draft and send email to Lauren Humphries requesting HOA's payoffs (Cochera and the Building).	Zwindi M Iglesias	\$250.00	0.75	\$187.50
Senior Attorney ZI 12/14/2022 Follow up with Coral Bouret regarding status of Mr. Allan's availability for closing. Send email to Lauren with the information provided.	Zwindi M Iglesias	\$250.00	0.25	\$62.50
Senior Attorney ZI 12/16/2022 Follow up email to Lauren requesting HOAs updated payoffs.	Zwindi M Iglesias	\$250.00	0.25	\$62.50
Senior Attorney ZI 12/27/2022 Follow up email to Lauren requesting HOAs updated payoffs.	Zwindi M Iglesias	\$250.00	0.25	\$62.50
Senior Attorney GD 1/3/2023 Requested 4 Statement of Accounts in CRIM portal, Re: Villa Gabriela Properties (4 properties). Research at Registry of Corporations, Department of state webpage, Re: Search of Contact information of "Cochera SE" corporation to identify telephone number or administrator contact.	Gabriela Díaz	\$250.00	1.00	\$250.00
Senior Attorney ZI 1/10/2023 Call with Bengie for updates on closing. Call with Lauren to update her on closing status and new information. Call with Coral (Buyer's broker) for status on closing and new updated.	Zwindi M Iglesias	\$250.00	0.50	\$125.00
Senior Attorney ZI 1/11/2023 Call with Attorney Allan Rivera regarding the closing status, buyer's availability for closing etc. Call with Bengie to inform certain things from Allan's call. Email to Lauren for a conference call requested.	Zwindi M Iglesias	\$250.00	0.50	\$125.00
Senior Attorney ZI 1/11/2023 Conference call with Lauren Humphries and Allan Rivera.	Zwindi M Iglesias	\$250.00	0.50	\$125.00
Time Entries Total			9.50	\$2,375.00

Expenses

Expense	Billed By	Price	Qty	Sub
Other 11/9/2022 Bank Fee	Marla Vidal	\$15.00	1.00	\$15.00

Expense	Billed By	Price	Qty	Sub
Uncategorized 12/13/2022 Updated Title Studies for each property of Villa Gabriella for Closing.	Zwindi M Iglesias	\$93.60	5.00	\$468.00
Other 1/3/2023 4 Statement of Accounts, Re: Villa Gabriela Properties. (\$2.50 each).	Gabriela Díaz	\$10.00	1.00	\$10.00
Expenses Total:			7.00	\$493.00

Total (USD)	\$2,868.00
Paid	\$0.00
Balance	\$2,868.00

Terms & Conditions

Payments can be made by check or ACH transfer:

BY CHECK: Please make check payable to IRW Law Office LLC 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	367-211491
Additional information	Please contact Ms. Rosaymar Berrios at 787-775-0624 or 787-590-7070, or by email at rosaymar@irwlaw.com , should you encounter any difficulties.

Thank you!

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

EXHIBIT “7”

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KINETIC INVESTMENT GROUP, LLC
and MICHAEL SCOTT WILLIAMS,

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

Defendants, and

KINETIC FUNDS I, LLC, KCL SERVICES,
LLC d/b/a LENDACY, 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 ELEVENTH INTERIM OMNIBUS
APPLICATION FOR ALLOWANCE AND PAYMENT OF
PROFESSIONALS' FEES AND REIMBURSEMENT OF EXPENSES
FOR OCTOBER 1, 2022 – DECEMBER 31, 2022

THIS CAUSE came before the Court on the Receiver's (the "**Receiver**") Twelfth Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for October 1, 2022 through December 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	\$78,074.61
E-Hounds	\$ 1,485.00
PDR CPAs + Advisors	\$ 1,157.50
IRW Law Offices	\$ 2,233.00

DONE and ORDERED this ____ day of _____, 2023 in Tampa,
Florida.

**UNITED STATES DISTRICT COURT
JUDGE**

4876-5618-7432, v. 1