

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

Relief Defendants.

**TWENTY-FIRST INTERIM OMNIBUS APPLICATION FOR
ALLOWANCE AND PAYMENT OF PROFESSIONALS' FEES
AND EXPENSES FOR JANUARY 1, 2025 – MARCH 31, 2025**¹

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 **January 1, 2025**, through **March 31, 2025** (the “Reporting 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 Statement²

The Receiver seeks Court approval to pay the total amount of **\$41,532.25** for the professional services and expenses incurred during this Reporting Period. This Application includes time billed for the three-month period from **January 1, 2025**, through **March 31, 2025**. The professionals who seek payment hereunder have made various accommodations given the public interest nature of this appointment, including providing a discount to their normal 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 lending platform, and the use of investor funds to purchase real estate and fund the operation of no less than three companies in Puerto Rico.

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

II. Executive Summary Activities for Reporting Period

a. **Communicated with Claimant Investors regarding Distribution of Assets and Timeline of Receivership Distribution of Funds**

The Receiver and his staff continue to communicate regularly with claimant investors regarding the Receivership process and distribution timeline. The Receiver and his staff 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. To date, the Receiver has returned a total amount of **\$18,116,050.90** to claimants in this Receivership.

b. **Managed Receiver's Cash Accounts Held at ServisFirst Bank**

Receivership funds are currently being held at ServisFirst Bank. 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** in the Receiver's fiduciary bank accounts during the Receiver's appointment; (ii) secured significant real property assets and completed the process of marketing and liquidating those assets which resulted in additional (seven figures) proceeds deposited to the Receivership Estate; (iii) made an initial distribution of **\$13.2 million** to Investor Claimants with approved claims; (iv) made a second distribution of **\$3.5 million** to Investor Claimants with approved claims; and (v) made a third distribution of approximately **\$1.4 million** to Investor Claimants.

The over **\$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 commercial building property located at 152 Tetuan Street, San Jan, Puerto Rico 00901;
- 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; and
- January 13, 2023: Received a net recovery—after payment of commissions and other standard closing costs—of **\$1,606,053.00** for the sale of the Villa Gabriela property and associated parking spaces. (Docs. 301 and 303).

c. The Twenty First Interim Report

The Receiver prepared and filed the Twenty First Interim Report on January 31, 2025 (Doc. 341), which provided a comprehensive summary of the Receiver's work for Q4 of 2024. All Reports are available on the Receiver's website at www.kineticreceivership.com. The Receiver incorporates the Twenty First Interim Report into this Application and attaches a true and correct copy as **Exhibit 2**.

III. 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.

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

Investors in the KFYield fund, which attracted the near-entirety of investor funds, were also often provided with documentation from Bloomberg's reporting service containing claims about KFYield's performance including that the fund had achieved positive annual returns every year since inception. Many, but not all, KFYield investors were also attracted to the investment opportunity given the advertised ability to simultaneously obtain a low-interest loan at the time of their investment from Relief Defendant KCL Services d/b/a Lendacy ("Lendacy") based on the amount of their KFYield investment. Investors understood that Lendacy utilized its own private funding source to make the low-interest loans.

On March 6, 2020, the Court granted the Commission's Motion for Appointment of Receiver and entered an Order appointing Mark A. Kornfeld as the Receiver over Defendant Kinetic Investment Group, LLC and the Relief Defendants ("Order Appointing Receiver"). (Doc. 34). The Receiver's preliminary investigation has uncovered evidence supporting the Commission's allegations that Defendants made a number of misrepresentations relating to the promised and actual use of investor funds and the performance of the Kinetic Funds portfolios. The Receiver's preliminary forensic accounting also shows that at least \$6 million of investor funds were either misappropriated or otherwise diverted to other projects and expenses unrelated to the Kinetic Funds investment opportunity.

A mediation was held on August 28, 2020, but resulted in an impasse. (Doc. 132). Both the Commission and Mr. Williams have filed motions for summary judgment which remain *sub judice*. 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).

IV. Professional Services

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

- (a) **Time period covered by the Application:** January 1, 2025 – March 31, 2025.
- (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:

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 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
- Exhibit 5(c):** PDR CPAs + Advisors
- Exhibit 5(d):** Valdes, Garcia, Marin & Martinez (VGMM)
- Exhibit 5(e):** RAD Technology Consulting, LLC
- 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 5(d)** Valdes, Garcia, Marin, & Martinez (VGMM)
- Exhibit 6(e):** RAD Technology Consulting, LLC

V. Case Status

- (a) Cash on hand**

As of the date of this Application, the Receivership bank accounts have a cumulative balance of \$2,614,172.94.⁵

(b) Summary of the administration of the case

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

During this Reporting Period, the Receiver has focused on (i) continuing his investigation of the underlying business operations of the various Receivership Entities, (ii) enhancing and preserving the value of Receivership assets, including exploring potential third-party claims and serving demand letters on third parties, (iii) investigating potential avenues to recover additional assets, and (iv) continuing to implement a Court-approved claims process that included making distributions to claimants.

(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-

⁵ This balance includes approximately \$142,633.55 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.

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 totaling **\$13,216,050.91** to Investor Claimants.

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 represented a recovery of 10.6% of the Total Allowed Amounts of Investor Claims all of which was paid to investor claimants in the 2023 First Quarter. On January 20, 2023, the Receiver received Court approval for his Unopposed Motion to Approve Second Interim Distribution. (Doc. 304). All distribution checks related to the Second Interim Distribution have been received and cashed by the Claimants.

On August 4, 2023, the Receiver moved for Court approval to make a Third Interim Distribution of **\$1,399,999.97** to investors. (Doc. 313). On December 22, 2023, the Court granted the Receiver's unopposed Motion for Third Interim Distribution. After receiving approval, the Receiver and his team promptly issued checks to the investor claimants for the Third Interim Distribution and addressed any check and/or investor issues with the distribution. As of March 18, 2024, every Investor Claimant had cashed his or her check for the Third Interim Distribution. The Receiver is in the process of preparing a Fourth Interim Distribution Motion to be filed with the Court. The Receiver anticipates that the Fourth Interim Distribution will be for \$1,900,000.

To date, the Receiver has returned a total amount of **\$18,116,050.90** to Claimant Investors in this Receivership. Receiver anticipates a final distribution will dispense all remaining funds at the end of the Receivership.

(d) Description of assets

In addition to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Eighteenth Interim Report, attached hereto as **Exhibit 2**.

VI. 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, those discounts resulted in a total reduction of well 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 have also resulted in a total reduction of well over \$100,000 from the rates customarily charged by Buchanan Ingersoll attorneys to clients.

The 2023 standard hourly rate which the Receiver charges other clients is \$835. The Receiver agreed that for purposes of his appointment as the Receiver, his hourly rate would be reduced and remain fixed year over year to \$437.50 per hour, representing approximately a thirty percent (30%) discount from his 2020 standard rate—and almost a 50% discount off his 2023 standard rate. This initial 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 36 hours in legal services on this Receivership for a total of **\$15,750.00** in legal services and **\$0** in expenses. The statement summarizing the services rendered by the Receiver is attached as **Exhibit 6(a)**.

During the period covered by this Application, other Buchanan Ingersoll professionals spent 75.3 hours assisting the Receiver in fulfilling his duties under the Order Appointing Receiver but only seeks compensation for 67.8 of those hours. Buchanan Ingersoll seeks compensation for professional services in the amount of **\$18,306.00** and **\$485.00** in expenses. 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 many different tasks including (without limitation) investigating the alleged fraud and related activities underlying this matter; locating, taking control and monetizing of Receivership assets; investigating and pursuing additional assets for the Receivership; coordinating the framework and procedures for a Court-approved claims process as detailed in the Interim Report, and overseeing all legal and administrative issues for distributing millions to claimants. For the period from **January 1, 2025**, through **March 31, 2025**, the Receiver requests that the Court award the Receiver and Buchanan Ingersoll fees for professional services rendered in the amount of **\$34,541.00**.

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 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 Reporting 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)**.

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

The Receiver requests that the Court award E-Hounds fees for costs incurred from **January 1, 2025**, through **March 31, 2025**, 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 19.05 hours in assisting the Receiver in fulfilling his duties under the Order Appointing Receiver. For these services, the Receiver seeks professional fees and expenses in the total, aggregate sum of **\$5,506.25** as set forth in the invoices attached as **Exhibit 6(c)**. The Receiver requests that the Court award PDR fees for professional services rendered from **January 1, 2025**, through **March 31, 2025**, in the amount of **\$5,506.25**.

(d) Services provided by Valdes, Garcia, Marin, & Martinez, LLC

The Receiver obtained Court approval to retain the services of Valdes, Garcia, Marin, & Martinez (“VGMM”) in the Receiver’s Motion for Authorization to Employ and Approve Work of Puerto Rican Tax Professionals (Doc 323). Due to tax issues arising under local Puerto Rican law, William Price of PDR advised the Receiver that local Puerto Rican professional guidance was necessary to ensure that all returns were

completed timely and capital gains reported. Valdes has assisted in the preparation of any required Puerto Rican tax-related documents. Due to several issues in the inputting of billing and submitting bills to affiliate PDR, the time reflected on PDR's invoices as related to VGMM predates the Application Period. To provide PDR with the reimbursement for the work provided by VGMM, the Receiver has included the 14.0 hours billed by VGMM in this Application before the Court. The Receiver has attached the detailed invoices of VGMM as **Exhibit 6(d)**. The Receiver requests that the Court award VGMM fees for professional services rendered in the amount of **\$1,915.00**.

(e) Services provided by RAD Technology Consulting, LLC

The Receiver obtained Court approval to retain the services of RAD Technology Consulting, LLC ("RAD Consulting") to provide website services for the Receivership. RAD Consulting is a concierge technology company that provides web development solutions and manages hosting services. The services provided are primarily domain name management, DNS hosting, web development, site content maintenance, and hosting. RAD Consulting charges \$100 per month for its website hosting services. If hourly service is needed, principal Ron During charges \$150 an hour for his service. Prior to engaging RAD Consulting, the Receiver used K.Tek for website services. Because K. Tek is no longer in service, the Receiver moved the website to RAD Consulting.

During the period covered by this Application, RAD Consulting incurred expenses of **\$325.00** for the Receivership. To facilitate ease of payment, the expense

amounts for RAD Consulting are reflected on Buchanan's Invoices under expenses. In this Application, the Receiver seeks expenses in the total, aggregate sum of **\$325.00** as set forth in the invoices attached as **Exhibit 6(e)**. The Receiver requests that the Court award RAD fees for professional services rendered from **January 1, 2025**, through **March 31, 2025**, in the amount of **\$325.00**.

(f) **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	\$34,541.00
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$5,506.25
VGMM	\$1,915.00⁷
RAD Consulting	\$325.00⁸
TOTAL:	\$41,532.25

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

⁷ The invoice amount for VGMM is not added to the total requested fees as it is included in the invoiced amount for PDR CPA + Advisors.

⁸ The invoice amount for RAD Consulting is not added to the total requested fees as it is included in the invoiced amount for Buchanan Ingersoll & Rooney PC.



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Attorneys for Receiver Mark A. Kornfeld

CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2025, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

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By: 
Attorney

1EC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

EXHIBIT “1”



Oldsmar / Tampa / St. Petersburg

727-785-4447

813-498-1294

727-784-5491 Fax

www.pdr-cpa.com

REPORT OF STANDARDIZED FUND ACCOUNTING REPORT

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

We have compiled the standardized fund accounting report for the period January 1, 2025 to March 31, 2025 and from inception March 6, 2020 to March 31, 2025, included in the accompanying prescribed form (Civil Court Docket No. 8:20-cv-00394-WFJ-SPF). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. 8:20-cv-00394-WFJ-SPF).

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

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

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

Oldsmar, Florida
April 3, 2025

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period 01/01/2025 - 03/31/2025**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/2025):			\$ 2,635,760.05
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities**			
Line 4	Interest/Dividend Income	8,547.36		
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):		8,547.36	2,644,307.41
	Decreases in Fund Balance:			
Line 9	Disbursements to Claimants			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	21,186.25		
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		30,015.61	30,015.61
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:			30,015.61
	Total Funds Disbursed (Lines 9 - 11)			30,015.61
Line 13	Ending Balance (As of 03/31/2025)			2,614,291.80

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period 01/01/2025 - 03/31/2025**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents			2,614,291.80
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds	-	-	
	Total Ending Balance of Fund - Net Assets			2,614,291.80
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

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

Receiver: _____
 By: _____
 Title _____
 Date _____

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period From Inception 03/06/2020 to 03/31/2025**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 03/06/2020):			\$ -
	Increases in Fund Balance:			
Line 2	Business Income			
Line 3	Cash and Securities	13,676,623.76		
Line 4	Interest/Dividend Income	354,176.82		
Line 5	Business Asset Liquidation	5,631,553.00		
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income	3,603,118.07		
Line 8	Miscellaneous - Other	233,282.01		
	Total Funds Available (Line 1 - 8):		23,498,753.66	23,498,753.66
	Decreases in Fund Balance:			
Line 9	Disbursements to Claimants			18,116,050.90
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	2,040,339.83		
Line 10b	Business Asset Expenses	76,514.83		
Line 10c	Personal Asset Expenses	167,758.14		
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	428,684.80		
	Total Disbursements for Receivership Operations		2,768,410.96	2,768,410.96
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:			20,884,461.86
	Total Funds Disbursed (Lines 9 - 11)			20,884,461.86
Line 13	Ending Balance (As of 03/31/2025)			2,614,291.80

**Standardized Fund Accounting Report for
 Mark A. Kornfeld as Receiver for Kinetic Investment Group, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 8:20-cv-00394-WFJ-SPF
 Reporting Period From Inception 03/06/2020 to 03/31/2025**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents			2,614,291.80
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			2,614,291.80
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Report of Items Not To Be Paid by the Fund			
	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund			
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund			
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund			
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	# of Claims Received This Reporting Period _____			
	# of Claims Received Since Inception of Fund _____			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period _____			
	# of Claimants/Investors Paid Since Inception of Fund _____			

Receiver: _____
 By: _____
 Title _____
 Date _____

1EC 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,
SCIPIO, LLC, LF 42, LLC, EL MORRO
FINANCIAL GROUP, LLC, and KIH, INC.,
f/k/a KINETIC INTERNATIONAL, LLC,

Relief Defendants.

RECEIVER'S TWENTY FIRST INTERIM REPORT

(Reporting Period: January 1, 2025 to March 31, 2025)

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 Twenty First Interim Report (the "Twenty First Report") covering information and activity occurring from January 1, 2025 to March 31, 2025. 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 Twenty First Report (January 1, 2025 to March 31, 2025), 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. Preparation for 2025 Wind Down of Receivership and Evaluated Fourth Interim Distribution to Investors

During the Reporting Period, the Receiver and his staff professionals took significant steps toward preparing for a 2025 wind down of the Receivership. During this period, the Receiver met with his tax professionals to determine what is necessary for filing final tax returns for the Receivership Entities. The Receiver evaluated the funds available in the Servis accounts to assess the amount of funds that can be distributed to investors. After reviewing the available funds in the Receivership accounts, the Receiver has determined that a Fourth Interim Distribution of approximately \$1.9M should be allocated to investors at this time. The Receiver anticipates requesting formal Court approval to distribute this amount in Quarter Two of 2025. The Receiver has been working diligently with counsel for the Securities & Exchange Commission to provide any information needed for final orders or judgments involving the Receivership Entities.

2. Addressed Issues on All Distributions to Date

The Receiver is diligently working toward winding down the Receivership and facilitating the final steps that will allow the Receiver to move for final distribution of all of the assets of the Receivership Estate to investors. The Receiver and his team have worked expeditiously to make three distributions date.

On November 9, 2021, the Receiver, via his Distribution Motion (Doc. 264), distributed **\$13,216,050.91** to investors. Subsequently, in January 2023, the Receiver received Court approval for a Second Interim Distribution of **\$3,500,000.02** to investors. (Doc. 304). On December 22, 2023, the Court granted the Receiver's unopposed Motion for Third Interim Distribution of **\$1,399,999.97**. (Doc. 313). As of March 2024, every investor had cashed his or her check for the Third Interim Distribution. To date, the Receiver has returned a total amount of **\$18,116,050.90** to investors in this Receivership.

During the Reporting Period, the Receiver has determined that a Fourth Interim Distribution is warranted prior to a final distribution in this Receivership. The Receiver anticipates filing a motion requesting court approval of a Fourth Interim Distribution of approximately \$1,900,000.00 in the next Reporting Period. As of the date of this filing, the Receivership Estate's accounts total **\$2,611,335.57**.

3. Attention to all Tax Matters for Receivership Entities

Due to the Receiver's efforts and those of the professionals supporting him during prior Reporting Periods, the sale of real property in the Receivership Estate occurred as planned—bringing in substantial funds in excess of seven figures to the Receivership Estate. The Receiver expended substantial work to assist the Receiver's professionals in finalizing a myriad of legal, financial, and tax issues,

including communicating regularly with the Purchaser on all aspects of “Villa Gabriela,” representing the following real property:

- 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.

Virtually all of the Receivership assets have been monetized to date. Accordingly, the Receiver and his professionals expended time and necessary resources to fully analyze the state of the Receivership’s tax and related obligations in connection to the funds brought into the Receivership Estate from the sale of real property. This analysis included coordinating with a number of tax professionals and consultants to ensure that any capital gains of the Receivership were recognized and reported for both Puerto Rico and U.S. IRS tax returns.

As part of his appointment, the Receiver was charged with monetizing any and all real property, including such property located outside the continental U.S. The location of this real property in San Juan, Puerto Rico yielded some tax

challenges requiring attention by the Receiver. Specifically, some of the real property at issue was held by Receivership Relief Defendant Scipio, LLC. Prior to the appointment of the Receiver, Scipio, LLC, had apparently not filed taxes for 2019 but still held title to this real property that was later sold by the Receivership. The Receiver therefore was required to address tax issues related to the sale of this property and this unique entity. To necessarily address and resolve these matters, the Receiver worked with local counsel and CPAs in Puerto Rico, who were experts with the tax code and compliance requirements of Puerto Rico law, as to the realization and approach to capital gains for the sale of real property.

The Receiver has continued to work diligently with his professionals, both in Florida and Puerto Rico, to ensure among other things that all tax matters are addressed prior to the wind-down of the Receivership, which the Receiver anticipates will occur within the 2025 calendar year.

2. Order on Summary Judgment against Defendant Williams

On November 22, 2024, the Court entered a ruling on the Commission's Motion for Summary Judgment against Defendant Williams. Specifically, the Court granted the Commission's Summary Judgment Motion and issued the following findings:

- **Williams negligently obtained investor money by means of an omission regarding the source of LLandarcy's funding;**

- **Williams knowingly misrepresented to investors that their investment would be invested in US listed financial products instead diverting their capital to Lendacy, in which he was the majority owner;**
- **Williams knowingly misrepresented to investors that their principal would be secured because 90% of the KFYield portfolio would be hedged with US listed options;**
- **Williams knowingly misrepresented to investors that the KFYield assets had liquidity;**
- **Williams knowingly misrepresented the performance of the KFYield portfolio;**
- **Williams failed to disclose to investors that he and his entities, Scipio, and LF42, were receiving loans from Lendacy; and,**
- **Williams failed to disclose to investors that he used investor capital, routed to LF42 from Lendacy to invest in Zephyr Aerospace. (See Doc. 338.)**

The Court, in its lengthy 110-page order determined that Williams had engaged in material misrepresentation when acting as an “investment advisor.” The Commission and Defendant Williams are currently in a stay period. The Receiver anticipates that a Final Judgment will be entered against Defendant Williams after the stay period has ended.

3. Continued Assessment of Zephyr Aerospace Investment

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”). The investment into Zephyr was beyond the disclosed and stated scope of the use of investors proceeds, (e.g. that there was no “dividend strategy”

associated with this investment). The stated business purpose of Zephyr at the time was to “revolutionize” the way individuals select airline seats on commercial airlines. This \$500,000.00 investment was clearly and directly traceable to investor funds. Understanding that the Zephyr investment is now a loss, the Receiver has worked with his tax professionals to analyze how the investment can be treated for tax purposes. The Receiver will continue to take any measures as are required associated with lost value of the investment.

4. Continued Work to Bring in Funds to the Receivership Estate

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 reached an agreement to recover the full amount sought. In 2024, the Receiver consolidated funds held in Interactive Broker Accounts for the benefit of the Investor Claimants, totaling \$27,183.54 to the Receivership Assets.

5. Preparation of Twentieth Interim Report

The Receiver prepared and filed his Twentieth Interim Report on January 31, 2025 (Doc. 341), 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.

7. 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.

8. Attended to Litigation Matters.

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

9. Managed Receiver's Cash Accounts Held at ServisFirst Bank.

Receivership funds are currently being held at ServisFirst Bank. As of the date of this Report, the Receiver has (i) secured, frozen, marshaled, and liquidated assets for the benefit of victims that resulted in the deposit of **approximately \$20**

million¹ in the Receiver's fiduciary bank accounts during the Receiver's appointment; (ii) secured significant real property assets and completed the process of marketing and liquidating those assets which resulted in excess of \$5 million in additional proceeds deposited with the Receivership Estate; (iii) made an initial distribution of **\$13.2 million** to Investor Claimants with approved claims; and (iv) made a second distribution of **\$3.5 million** to Investor Claimants with approved claims.

The over **\$20 million** recovered for the benefit of claimants is the result of the following (including without limitation):

- 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

¹ This amount includes approximately \$142,463.43 in funds previously held in Mr. Williams' prior counsel's trust account and which were subsequently transferred to the Receiver's fiduciary accounts to be held in trust pending further Order from the Court. In the interim, the Court has authorized the payment of various living and legal expenses to or for Mr. Williams' benefit.

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
- January 13, 2023: Received a net recovery—after payment of commissions and other standard closing costs—of **\$1,606,053.00** for the sale of the Villa Gabriela property and associated parking spaces. (Docs. 301 and 303).

As of the date of this filing, the Receiver's accounts currently have **\$2,611,335.57**

II. BACKGROUND

A. Procedure and Chronology

On February 20, 2020, the Securities & Exchange Commission (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).

On November 22, 2024, the Court entered a ruling on the Commission's Motion for Summary Judgment against Defendant Williams. Specifically, the Court granted the Commission's Summary Judgment Motion and issued an 110 page Order of its findings. After the filing of this Order, the Commission and Defendant Williams entered into a 90-day stay period to have an opportunity to confer on the remaining issues of injunctive and monetary relief sought by the Commission. On December 20, 2024, the Stay was formally entered by the Court and was scheduled to cease on April 23, 2025. However, on April 16, 2025, the Commission filed its Unopposed Motion for an Extension of Time to Move for Relief Against Defendant Michael Scott Williams. (See Doc. 346). On April 16,

2025, the Court granted the Commission's Motion and extended the stay period up until July 21, 2025. (See Doc. 347.)

Given the ruling against Defendant Williams, the Receiver is currently taking steps to initiate a wind down of the Receivership Estate so that a final distribution of assets may be approved and distributed to Investor Claimants within this calendar year. The Receiver is working closely with counsel for the Commission to provide any information necessary during the course of the Stay period.

While the stay period continues between the Commission and Defendant Williams, the Receiver has prepared a motion to move forward with a Fourth Interim Distribution for Investors, which he anticipates being filed during the Second Reporting Period of this calendar year. The Receiver continues to work with his tax and forensic professionals to ensure that all deadlines are met with the Receivership Entities. The Receiver believes that the Receivership is well-positioned for the wind down process and final distribution to occur in 2025.

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.)

D. The Next Quarter

1. Fourth Interim Distribution to Investor Claimants

Based on the current balance of the Receivership accounts, the Receiver plans to seek leave to make a Fourth Interim Distribution of approximately \$1,900,000.00 during the next Quarter. This distribution, if approved by the

Court, will result in 5.8% recovery of the allowed amount of investor claims. If approved by the Court, the Receiver will have provided **\$20,016,050.88** to investor claimants, which totals **60.6%** of the allowed amount of investor claims.

As of the date of this filing, the total balance of the Receivership accounts is **\$2,611,335.57**. The Receiver believes that by making a Fourth Interim Distribution, he will be able to provide a significant amount of money to investors now while still maintaining adequate funds to cover the expenses of administering the Receivership and to pay the Receiver's professionals who assist with its administration and the wind down process.

The Receiver intends to distribute the remaining funds in a final distribution based on relevant factors including the resolution of a Final Judgment against Defendant Williams, which is still being negotiated in the current stay period.

2. Position the Receivership for a 2025 Wind Down

The Receiver has communicated with claimants and counsel for the Commission regarding the Receiver's intent to wind down this Receivership during the 2025 calendar year. At present, the Receiver and his team are continuing to prepare, in all fashion, to position the Receivership to divest the Receivership Assets to the Claimant Investors in a final distribution. The Receiver and his team continue to work with their professionals on tax issues for Puerto Rican Receivership Entities and U.S. Entities in addition to handling any final

corporate issues that need to be address prior to the final distribution of funds. The Receiver and his team will be prepared to issue a final distribution as soon as the wind-down can formally commence and be approved by the Court.

III. CONCLUSION

The Receiver's foregoing efforts have positioned the Receivership for a 2025 wind-down and the Receiver and his team of professionals continue to work diligently toward that end.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

By: 

Lauren V. Humphries, Esq.
401 E. Jackson St., Suite 2400
Tampa, FL 33602
Telephone: (813) 222-2098
Facsimile: (813) 222-8189
Email: lauren.humphries@bipc.com
Attorneys for Receiver Mark A. Kornfeld

CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that on this 30th day of April, 2025, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

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

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


Attorney

1EC 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 May, 2025.

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

MARK A. KORNFELD
Receiver

IEC 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	103.60	\$34,002.00	\$485.00	\$34,487.00	\$805,442.87	\$13,539.52
Yip & Associates	Accountants	0.00	\$0.00	\$0.00	\$0.00	\$284,987.75	\$2,043.80
E-Hounds, Inc.	Information Technology and Forensic Technology	0.00	\$0.00	\$1,485.00	\$1,485.00	\$40,740.00	\$31,975.00
IRW Law Offices	Attorneys	0.00	\$0.00	\$0.00	\$0.00	\$26,302.50	\$988.38
PDR CPAs + Advisors	Accountants	19.05	\$3,591.25	\$1,915.00	\$5,506.25	\$58,413.90	\$23,314.65
K. Tek Systems	Website	0.00	\$0.00	\$0.00	\$0.00	\$3,990.00	\$3,130.00
RAD		0.00	\$0.00	\$325.00	\$325.00	\$-	\$-
Marshall Swatt		0.00	\$0.00	\$0.00	\$0.00	\$8,475.00	\$-
Valdes, Garcia, Marin, & Martinez		0.00	\$0.00	\$0.00	\$0.00	\$4,058.60	\$-
Goldman Antonetti & Cordova LLC						\$-	\$-
Total		122.65	\$37,593.25	\$4,210.00	\$41,803.25	\$1,791,998.47	\$98,168.59

IEC vs. Kinetic Investment Group, LLC, et al
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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	36.00	\$ 15,750.00
Jordan D. Maglich	Litigation	Counsel	2010	\$ 455.00	\$ 295.00		\$ -
Lauren Humphries	Litigation	Associate	2015	\$ 390.00	\$ 270.00	67.60	\$ 18,252.00
Dane L. Stuhlsatz	Litigation	Associate	2018	\$ 420.00	\$ 270.00		\$ -
Mitchell Horowitz	Tax	Partner	1984	\$ 760.00	\$ 412.50		\$ -
Tabitha Pellegrine	Labor & Employment	Paralegal		\$ 280.00	\$ 195.00		\$ -
Total Fees							\$ 34,002.00
Less: Credit							\$0.00
Total Expenses							\$ 485.00
Total						103.60	\$ 34,487.00

1EC vs. Kinetic Investment Group, LLC, et al
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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

1EC vs. Kinetic Investment Group, LLC, et al
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EXHIBIT “5c”

11785

PDR CPAs

Name	Title	Year Licensed/ Experience	Standard Rate	Billing Rate	Total Hours	Total Billed
William E. Price	CPA	45+		\$ 335.00	5.25	\$ 1,758.75
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	1.25	\$ 193.75
Gail Heinold	Accounting Manager	20+		\$ 125.00		\$ -
Tammy Warden	Staff Accountant			\$ 125.00		\$ -
Sharon O'Brien	Staff Accountant	10+	\$ 150.00	\$ 125.00	10.80	\$ 1,350.00
Megan Justice	Staff Accountant	4+	\$ 150.00	\$ 125.00		\$ -
Shelly Spencer	Staff Accountant			\$125.00		\$ -
Michael Yanchunis	Staff Accountant			\$125.00		\$ -
AAM				\$125.00		\$ -
DRH				\$155.00		\$ -
SGH				\$60.00		\$ -
LH				\$165.00	1.75	\$ 288.75
MNL				\$210.00		\$ -
TNJ				\$125.00		\$ -
Tracy Hess	Tax Manager	5+	\$ 225.00	\$ 210.00		\$ -
Total Fees						\$ 3,591.25
Less: Credit						0.00
Total Expenses						\$ 1,915.00
Total					19.05	\$ 5,506.25

1EC vs. Kinetic Investment Group, LLC, et al
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EXHIBIT “5d”

Name	Title	Rate	Total Hours	Total Billed
Leriel Guzman	Senior	\$ 95.00		\$ -
Yahaira Feliciano	Partner	\$ 225.00		\$ -
Frances Sosa	Staff Associate	\$ 65.00		\$ -
Maria Martinez	Supervisor	\$ 95.00		\$ -
				\$ -
				\$ -
Total Fees				\$ 1,915.00
Less: Credit				\$0.00
Sales Tax				\$0.00
Total Expenses				
Total			0.00	\$ 1,915.00

1EC vs. Kinetic Investment Group, LLC, et al
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EXHIBIT “5e”

Name	Title	Standard Rate	Reduced Rate	Total Hours	Total Billed
					\$ -
Total Fees					\$ -
Less: Credit					\$ -
Total Expenses					\$ 325.00
Total				0	\$ 325.00

1EC vs. Kinetic Investment Group, LLC, et al
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EXHIBIT “6a”



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

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

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

April 24, 2025
Invoice No. 12380515

INVOICE SUMMARY

For Professional Services Rendered:

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

Fees:	\$34,002.00
Disbursements:	<u>\$485.00</u>

Total Current Invoice: \$34,487.00



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

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

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

April 24, 2025
Invoice No. 12380515

For Professional Services Rendered:

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

SERVICES AND COSTS INCLUDING

Timekeeper	Date	Task	Narrative	Hours	Amount
Administration					
M. A. Kornfeld	01/28/25	B100	Review issues for wind-down of estate, draft Motion for same.	1.50	656.25
M. A. Kornfeld	03/03/25	B100	Review, revise confer with L. Humphries on final motions.	2.50	1,093.75
Subtotal Administration				4.00	1,750.00
Case Administration					
M. A. Kornfeld	01/03/25	B110	Confer with L. Humphries regarding year-end taxes, wind down memoranda, communications with SEC and claimants, and final distribution/reserve.	0.50	218.75
M. A. Kornfeld	01/07/25	B110	Review case law relating to wind down and administrative reserves/estate.	0.50	218.75
M. A. Kornfeld	01/08/25	B110	Emails with L. Humphries regarding vendor payments, communications/website.	0.40	175.00
M. A. Kornfeld	01/10/25	B110	Review and emails to L. Humphries and B. Price regarding final corporate registration and tax matters.	0.40	175.00
M. A. Kornfeld	01/13/25	B110	Review filings and advice from outside counsel relating to taxes, closing estate.	0.70	306.25
M. A. Kornfeld	01/13/25	B110	Follow-up with L. Humphries and B. Price regarding Puerto Rico annual corporate registration, wind down.	0.40	175.00

MARK KORNFELD, RECEIVER
 RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	01/15/25	B110	Call with L. Humphries regarding wind down Motion to court and communications with SEC relating to same.	0.40	175.00
M. A. Kornfeld	01/20/25	B110	Review corporate disclosure and filings and tax matters for discussion with L. Humphries.	0.50	218.75
M. A. Kornfeld	01/21/25	B110	Emails to/from confer with accounting and outside counsel regarding taxes, corporate registry.	0.40	175.00
M. A. Kornfeld	01/21/25	B110	Emails with L. Humphries regarding Interim Report, wind down, taxes, communications with SEC.	0.20	87.50
M. A. Kornfeld	01/24/25	B110	Emails, follow up with counsel and tax professionals regarding Interim Reports, corporate and tax filings.	0.50	218.75
M. A. Kornfeld	01/28/25	B110	Emails, follow-up with L. Humphries regarding Interim Report, taxes, corporate filings, wind-down.	0.50	218.75
M. A. Kornfeld	01/30/25	B110	Emails with B. Price regarding tax filings.	0.20	87.50
M. A. Kornfeld	01/30/25	B110	Emails with L. Humphries, review information regarding winding down and Interim Report.	0.50	218.75
M. A. Kornfeld	01/31/25	B110	Review, analyze, finalize Quarterly Interim Report.	0.50	218.75
M. A. Kornfeld	01/31/25	B110	Emails, follow-up with L. Humphries regarding tax filings, wind-down.	0.20	87.50
M. A. Kornfeld	02/03/25	B110	Follow-up with L. Humphries regarding wind down memoranda, review banking and recovery/distributions relating to same.	1.00	437.50
M. A. Kornfeld	02/04/25	B110	Review documents relating to same.	0.50	218.75
M. A. Kornfeld	02/04/25	B110	Emails, confer with L. Humphries regarding taxes, filings and wind down of Estate.	0.50	218.75
M. A. Kornfeld	02/06/25	B110	Tend to tax matters, service provider follow-up.	0.50	218.75
M. A. Kornfeld	02/07/25	B110	Review, analyze wind down of estate and final taxes, case administration.	1.00	437.50
M. A. Kornfeld	02/12/25	B110	Call with L. Humphries regarding wind down and call with SEC and taxes.	0.50	218.75

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	02/18/25	B110	Review wind down motion, emails, review account for preparation of next claimant distribution.	1.00	437.50
M. A. Kornfeld	02/19/25	B110	Calls, emails with L. Humphries regarding wind down.	0.50	218.75
M. A. Kornfeld	02/20/25	B110	Confer with L. Humphries on Motion to distribute funds.	0.40	175.00
M. A. Kornfeld	02/21/25	B110	Tend to checklist of substantive, procedural, banking, tax, and administrative issues for final claimants, distribution and wind down.	0.70	306.25
M. A. Kornfeld	02/24/25	B110	Review, finalize tax filings and confer with L. Humphries regarding wind down.	0.50	218.75
M. A. Kornfeld	02/25/25	B110	Confer with L. Humphries regarding wind down.	0.40	175.00
M. A. Kornfeld	02/26/25	B110	Emails to L. Humphries, S. Moot and C. Nestor regarding final distribution, wind down, administrative estate, review issues, analysis relating to same throughout day.	1.00	437.50
M. A. Kornfeld	02/27/25	B110	Review, analyze wind down memo, case law and checklist of items, tax filing and dissolution of entities in Puerto Rico to finalize distribution to claimants.	1.50	656.25
M. A. Kornfeld	02/28/25	B110	Review, analyze draft wind down Motion/Memo of Law, case law, administrative estate, final distribution.	1.00	437.50
M. A. Kornfeld	03/03/25	B110	Call with L. Humphries, S. Moot and C. Nestor regarding wind down of estate and approach for final distribution.	0.50	218.75
M. A. Kornfeld	03/05/25	B110	Throughout day review and revise work on Memo of Law in support of final distribution and wind down of the estate.	1.00	437.50
M. A. Kornfeld	03/07/25	B110	Continue to review statutory requirements, for reserves, administrative estate, winding down, making final distribution to claimant.	2.00	875.00
M. A. Kornfeld	03/10/25	B110	Review, analyze, edit, wind down motion throughout day.	1.00	437.50

MARK KORNFELD, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	03/12/25	B110	Review, analyze issues throughout day for final distribution, administrative reserve, tax filings, corporate obligations, Puerto Rico.	2.00	875.00
M. A. Kornfeld	03/14/25	B110	Emails, calls, confer throughout day with L. Humphries regarding draft motion to wind down estate, make final distribution.	1.00	437.50
M. A. Kornfeld	03/20/25	B110	Work on dissolution of estate and final distribution.	0.50	218.75
M. A. Kornfeld	03/21/25	B110	Emails confer throughout day with L. Humphries regarding dissolution.	0.50	218.75
M. A. Kornfeld	03/25/25	B110	Emails , confer with L. Humphries regarding wind down and next steps, relating draft memo relating to same.	0.50	218.75
M. A. Kornfeld	03/26/25	B110	Calls, emails, confer with L. Humphries regarding wind down, taxes, filings, dissolution of receivership entities, Puerto Rico filings, analyze case law and administrative reserve/estate matters.	1.00	437.50
M. A. Kornfeld	03/27/25	B110	Emails to B. Price, Puerto Rico counsel, L. Humphries regarding taxes, dissolution of receivership entities and Puerto Rico requirements/filings.	0.50	218.75
M. A. Kornfeld	03/27/25	B110	Calls, emails throughout day with L. Humphries, C. Nestor and S. Moot regarding administrative issues relating to website, Motion to cease any payments to Mr. Williams, review of motions relating to same, and wind down of estate.	1.00	437.50
M. A. Kornfeld	03/31/25	B110	Emails, confer with L. Humphries regarding wind down and taxes.	0.40	175.00

Subtotal Case Administration	29.70	12,993.75
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Asset Disposition					
L. Humphries	01/03/25	B130	Communication with Sharon O'Brien of PDR CPA & Advisors regarding preparation of tax documents for Kinetic entities including 1099 forms.	0.30	81.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	01/03/25	B130	Preparation of tax items for review.	0.50	135.00
L. Humphries	01/06/25	B130	Preparation of review and edits to tax filings.	0.60	162.00
L. Humphries	01/07/25	B130	Review of memorandum regarding Federal rules bearing on Receivership closure in preparation of wind down motion for Court.	0.80	216.00
L. Humphries	01/07/25	B130	Preparation of case details for Court reporting on summary of steps taken during course of Receivership.	1.80	486.00
L. Humphries	01/08/25	B130	Preparation for final distribution to investor claimants.	0.80	216.00
L. Humphries	01/09/25	B130	Communication with investor claimants regarding website issue.	0.30	81.00
L. Humphries	01/09/25	B130	Preparation of fee application. (NO CHARGE)	2.50	N/C
L. Humphries	01/09/25	B130	Draft email correspondence to Puerto Rico tax professionals regarding 2024 taxes.	0.20	54.00
L. Humphries	01/10/25	B130	Addressed website administration with R. During and vendor regarding publication and servers.	1.80	486.00
L. Humphries	01/10/25	B130	Research and draft advocacy arguments regarding Motion before Court to Close Receivership Estate.	2.50	675.00
L. Humphries	01/13/25	B130	Addressed update to new website regarding Kinetic Receivership entities.	1.20	324.00
L. Humphries	01/13/25	B130	Draft edits regarding Receivership payments to vendors.	0.40	108.00
L. Humphries	01/14/25	B130	Communication with Network Solutions regarding re-build of website.	0.30	81.00
L. Humphries	01/15/25	B130	Communications with R. During regarding necessary updates to website.	0.30	81.00
L. Humphries	01/16/25	B130	Attendance at phone conference with R. During regarding set up and verification of Network Solutions Account.	0.50	135.00
L. Humphries	01/16/25	B130	Communication with Network Solutions regarding website update and new website addition.	0.30	81.00
L. Humphries	01/16/25	B130	Assessed vendor invoices for RAD Consulting.	0.20	54.00
L. Humphries	01/17/25	B130	Addressed re-build of website with RAD Consulting. [NO CHARGE]	0.40	N/C

MARK KORNFELD, RECEIVER
RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	01/20/25	B130	Preparation of review of draft SFAR.	0.40	108.00
L. Humphries	01/24/25	B130	Communication with Network Solutions vendor regarding confirmation of information for website.	0.30	81.00
L. Humphries	01/24/25	B130	Preparation of Interim Report for filing with Court.	1.60	432.00
L. Humphries	01/24/25	B130	Communication with R. During regarding website.	0.20	54.00
L. Humphries	01/28/25	B130	Preparation of edits to exhibits for Fee Application. (NO CHARGE)	0.40	N/C
L. Humphries	01/29/25	B130	Communication with Puerto Rico tax professionals regarding corporate filings and tax documents.	0.30	81.00
L. Humphries	01/29/25	B130	Preparation of edits to information in Quarterly Interim Report.	1.20	324.00
L. Humphries	01/30/25	B130	Correspondence to counsel for Williams regarding requested order.	0.20	54.00
L. Humphries	01/30/25	B130	Communication with Network Solutions regarding website update.	0.30	81.00
L. Humphries	01/31/25	B130	Review email correspondence from tax professionals regarding returns.	0.10	27.00
L. Humphries	01/31/25	B130	Preparation of further edits to Quarterly Interim Report.	0.50	135.00
L. Humphries	02/03/25	B130	Preparation of updates to exhibits for Fee Application. (NO CHARGE)	0.80	N/C
L. Humphries	02/03/25	B130	Addressed claw back issue with potential third party.	0.40	108.00
L. Humphries	02/03/25	B130	Communication with claimant investor regarding posture of Receivership.	0.30	81.00
L. Humphries	02/04/25	B130	Phone conference with B. Price regarding status of 2024 tax return and questions on wind down of Receivership tax-wise.	0.40	108.00
L. Humphries	02/04/25	B130	Preparation of research regarding discharging duties of the Receiver and payment of fees at end of Receivership.	1.40	378.00
L. Humphries	02/05/25	B130	Phone conference regarding domain name issue with Receivership website.	0.40	108.00
L. Humphries	02/05/25	B130	Draft summary of Receivership activities in preparation of discharge motion.	2.50	675.00

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

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April 24, 2025
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	02/06/25	B130	Drafted memorandum of law regarding final distribution and discharge of Receivership duties.	2.80	756.00
L. Humphries	02/11/25	B130	Communication with website vendor.	0.20	54.00
L. Humphries	02/13/25	B130	Preparation of January Invoice Review. (NO CHARGE)	0.90	N/C
L. Humphries	02/13/25	B130	Communication with investor claimant.	0.30	81.00
L. Humphries	02/14/25	B130	Communicate with tax professionals regarding wind up issues.	0.30	81.00
L. Humphries	02/17/25	B130	Culled data regarding final discharge motion for Court.	2.50	675.00
L. Humphries	02/17/25	B130	Communication with claimant investor regarding procedural posture.	0.30	81.00
L. Humphries	02/18/25	B130	Review of file information related to Greenberg Trust amount and allocation.	0.40	108.00
L. Humphries	02/20/25	B130	Draft memorandum regarding closure of Receivership.	2.00	540.00
L. Humphries	02/21/25	B130	Communication with bank regarding tax form issues for Receivership accounts.	0.30	81.00
L. Humphries	02/21/25	B130	Review of Servis account statements for Receivership accounts.	0.20	54.00
L. Humphries	02/25/25	B130	Draft Motion for Court regarding website vendor approval and change.	0.60	162.00
L. Humphries	02/25/25	B130	Review of documents and correspondence regarding Williams' monthly expense issue.	0.60	162.00
L. Humphries	02/26/25	B130	Communication with vendor regarding update to website.	0.20	54.00
L. Humphries	02/26/25	B130	Review of summary from E-Hounds.	0.10	27.00
L. Humphries	02/26/25	B130	Conference with claimant investor on distribution schedule.	0.30	81.00
L. Humphries	02/27/25	B130	Review of historical documents for Receivership in preparation for closure of corporate entities for Receivership in 2025 calendar year.	2.80	756.00
L. Humphries	02/27/25	B130	Conferral with Receiver regarding issues to discuss with SEC counsel and wind down procedures.	0.30	81.00
L. Humphries	03/01/25	B130	Conferred with Receiver via various email correspondence on tax issues.	0.20	54.00
L. Humphries	03/03/25	B130	Review of research regarding closure of corporate issues for entities.	1.80	486.00

MARK KORNFELD, RECEIVER
RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	03/03/25	B130	Draft Motion for Court regarding vendor issue.	0.60	162.00
L. Humphries	03/03/25	B130	Attendance at phone conference with counsel for SEC.	0.40	108.00
L. Humphries	03/03/25	B130	Review and analysis of Servis accounts for Receivership entities.	0.20	54.00
L. Humphries	03/05/25	B130	Preparation of email to tax professionals regarding entities.	0.10	27.00
L. Humphries	03/05/25	B130	Preparation of research regarding conversion of Receivership account for benefit of investors.	1.40	378.00
L. Humphries	03/05/25	B130	Review of account payments made to Williams.	0.20	54.00
L. Humphries	03/06/25	B130	Addressed vendor issue regarding website publication.	0.40	108.00
L. Humphries	03/07/25	B130	Review of various invoices from PDR Consultants.	0.20	54.00
L. Humphries	03/07/25	B130	Conference with Receiver regarding status update.	0.20	54.00
L. Humphries	03/07/25	B130	Review of information provided by RAD Consulting.	0.30	81.00
L. Humphries	03/13/25	B130	Preparation of research regarding final closure of estate.	2.20	594.00
L. Humphries	03/14/25	B130	Review of Servis account statements.	0.20	54.00
L. Humphries	03/17/25	B130	Attendance at phone conference with investor claimant.	0.30	81.00
L. Humphries	03/17/25	B130	Phone conference regarding corporate filings issue.	0.20	54.00
L. Humphries	03/18/25	B130	Review of Servis Bank Accounts regarding consolidation efforts of funds.	0.20	54.00
L. Humphries	03/18/25	B130	Preparation of memorandum regarding stipend amount for Defendant Williams due to change related to incarceration.	2.20	594.00
L. Humphries	03/19/25	B130	Preparation of research regarding immunity issue for Receiver.	0.80	216.00
L. Humphries	03/20/25	B130	Preparation of draft interim report for Court.	2.40	648.00
L. Humphries	03/21/25	B130	Communication with E-Hounds regarding service moving forward.	0.30	81.00
L. Humphries	03/24/25	B130	Review of documentation regarding living expense issue for Mr. Williams and transfer of account funds to Estate.	0.80	216.00

MARK KORNFELD, RECEIVER
RE: IN RE: KINETICS
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April 24, 2025
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Timekeeper	Date	Task	Narrative	Hours	Amount
L. Humphries	03/25/25	B130	Review of corporate documents in preparation of wind down.	2.00	540.00
L. Humphries	03/26/25	B130	Communication with counsel for Mr. Williams regarding new vendor approval and mandatory conferral for filing.	0.20	54.00
L. Humphries	03/26/25	B130	Review of documentation from R. During regarding domain name issue.	0.40	108.00
L. Humphries	03/26/25	B130	Communication with SEC counsel regarding website host vendor approval.	0.20	54.00
L. Humphries	03/26/25	B130	Draft proposed Order for Court regarding employment on website professionals for Receivership	0.30	81.00
L. Humphries	03/26/25	B130	Preparation of edits regarding vendor Motion.	0.60	162.00
L. Humphries	03/27/25	B130	Communication with B. Price regarding tax issues.	0.20	54.00
L. Humphries	03/27/25	B130	Review and analysis of email correspondence from SEC counsel on website issue.	0.10	27.00
L. Humphries	03/27/25	B130	Preparation of updates to website.	0.30	81.00
L. Humphries	03/27/25	B130	Preparation of edits to Motion to Retain RAD Technology Consulting.	0.40	108.00
L. Humphries	03/27/25	B130	Draft email correspondence to SEC regarding Mr. Williams' living expenses payments.	0.20	54.00
L. Humphries	03/27/25	B130	Communication with Mr. Williams' counsel regarding proposed Motion.	0.20	54.00
L. Humphries	03/28/25	B130	Review of Order from Judge Scriven on Authorization to employ RAD Technology Consulting.	0.20	54.00
L. Humphries	03/31/25	B130	Communicated with website host vendor regarding Order from Court.	0.20	54.00
L. Humphries	03/31/25	B130	Preparation of motion for court regarding consolidation of accounts and assets.	1.00	270.00
Subtotal Asset Disposition				64.60	16,092.00
Tax Issues					
L. Humphries	01/07/25	B240	Preparation of fee application. (NO CHARGE)	2.50	N/C

MARK KORNFELD, RECEIVER
RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
M. A. Kornfeld	01/14/25	B240	Emails with outside counsel and tax professionals and L. Humphries regarding tax filings and corporate registry.	0.50	218.75
L. Humphries	02/04/25	B240	Email correspondence to B. Price of PDR Accountants regarding Receivership tax form.	0.20	54.00
L. Humphries	02/04/25	B240	Preparation of update to the Receiver regarding status of taxes.	0.20	54.00
L. Humphries	02/07/25	B240	Draft wind down memorandum regarding history of Receivership.	3.00	810.00
L. Humphries	02/10/25	B240	Assessed vendor invoices for RAD Consulting.	0.20	54.00
L. Humphries	02/11/25	B240	Effectuated wire transfers related to Receivership vendors.	0.70	189.00
L. Humphries	02/11/25	B240	Addressed issue with payment of Puerto Rico taxes.	0.40	108.00
M. A. Kornfeld	02/15/25	B240	Review tax preparation and wind down caselaw relating to maintaining administrative estate.	1.00	437.50
M. A. Kornfeld	02/21/25	B240	Review 1099s and tax preparation filings.	0.40	175.00
L. Humphries	02/24/25	B240	Assessed tax documents for Receivership entities.	0.30	81.00
L. Humphries	02/24/25	B240	Communicate with B. Price of PDR regarding tax documents.	0.20	54.00
L. Humphries	02/26/25	B240	Addressed tax documents for 2024 period of Receivership Entities.	0.40	108.00
L. Humphries	02/26/25	B240	Preparation of update to Receivers regarding tax issues.	0.20	54.00
M. A. Kornfeld	03/06/25	B240	Review banking and tax filings.	0.40	175.00
L. Humphries	03/11/25	B240	Review of documents for Kinetic entities in addressing outstanding tax issues.	1.20	324.00
L. Humphries	03/17/25	B240	Review of corporate documents regarding tax issues.	0.40	108.00
L. Humphries	03/21/25	B240	Communication with PDR Consultants regarding tax return time line.	0.20	54.00
L. Humphries	03/28/25	B240	Assessed tax documents and information provided by PDR Consultants.	0.40	108.00

MARK KORNFELD, RECEIVER
RE: IN RE: KINETICS
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Timekeeper	Date	Task	Narrative	Hours	Amount
Subtotal Tax Issues				12.80	3,166.25
Total Hours				111.10	
Total Fees					\$34,002.00

DESCRIPTION OF COSTS

	Description	Amount
01/10/25	Miscellaneous Lauren V. Humphries Kinetics Web Domain	25.00
01/10/25	Miscellaneous Lauren V. Humphries Kinetics Web Hosting for January 2025	100.00
02/01/25	Miscellaneous Lauren V. Humphries Kinetics Web Hosting for February 2025	100.00
02/07/25	On-Line Search Service – Westlaw – February 2025	160.00
03/01/25	Miscellaneous Lauren V. Humphries Kinetics Web Hosting for March 2025	100.00
Total Costs		\$485.00

Amount Due This Invoice:	\$34,487.00
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MARK KORNFELD, RECEIVER
RE: IN RE: KINETICS
0103373-000001

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April 24, 2025
Invoice No. 12380515

TIMEKEEPER SUMMARY

Name	Title	Hours	Rate	Amount
L. Humphries	Counsel	67.60	270.00	18,252.00
L. Humphries	Counsel	7.50	N/C	N/C
M. A. Kornfeld	Partner	36.00	437.50	15,750.00
	Total	111.10		34,002.00



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

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

REMITTANCE STATEMENT

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

April 24, 2025
Invoice No. 12380515

Our Reference:	0103373-000001
Client Name:	MARK KORNFELD, RECEIVER
Invoice Date:	April 24, 2025
Invoice Number:	12380515
Total Due This Invoice:	\$34,487.00

Total Due All Invoices For this Matter:	\$34,487.00
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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: 12380515

Amount remitted this payment: \$ _____

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

IEC 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
01/01/2025	01/31/2025	59805	\$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	01/05/2025		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

Please note: Our fees are subject to change annually.

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



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
02/01/2025	02/28/2025	61323	\$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	02/05/2025		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

Please note: Our fees are subject to change annually.

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 15% 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



Invoice for Services

All funds payable to: **E-Hounds, Inc.**
 32815 US 19 North Suite 100
 Palm Harbor, Florida 34684
 support@ehounds.com (727) 726-8985

Open Date	Close Date	Invoice #	Balance Due	Case Reference (E9578)	Terms
03/01/2025	03/31/2025	61334	\$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	03/05/2025		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

Please note: Our fees are subject to change annually.

Statement of Limited Liability and Financial Responsibility

E-Hounds, Inc. shall not be liable 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 or owner. Recovered data will be stored for 30 days unless otherwise specified in writing by the client. All issues with recovered data must be reported within 5 business days of receipt. Property or equipment held for legal matters will be retained for up to 1 year upon case closure or at the client's written request. Additional fees may apply for extended storage or maintenance.
ABSOLUTELY NO REFUNDS.

This invoice is issued under the Fee Agreement signed by the client. Final payment must be received before the release of any equipment, findings, or reporting. All invoices are due upon receipt, unless otherwise stated. Unpaid balances over 30 days are subject to a 1.5% monthly late fee. Balances unpaid after 60 days may result in equipment liquidation, initiation of collections, and recovery of reasonable attorney's fees. All services are provided on behalf of the contracting agency, agent, or party, who is solely responsible for payment. Payment responsibility is not transferable or assignable.

E-Hounds also accepts:



Venmo: @ehounds
 Zelle: support@ehounds.com



venmo



PayPal

1EC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

EXHIBIT “6c”



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

**Mark A. Kornfeld, Esq. Receiver for Kinetic Investment, LLC
January 1, 2025 through January 31, 2025**

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
1/3/2025	Accounting & Auditing	SAO	Reconciled #0320, #3666, #3708 and #3732 bank statements, prepared court reports, downloaded bank statements, recorded bank activity	2.95	\$ 125.00	\$ 368.75
1/3/2025	Accounting & Auditing	GAH	Reviewed 1099s	0.25	\$ 155.00	\$ 38.75
1/6/2025	Accounting & Auditing	GAH	E-filed 1099s	0.25	\$ 155.00	\$ 38.75
1/6/2025	Accounting & Auditing	SAO	Prepared 1099s	0.10	\$ 125.00	\$ 12.50
1/9/2025	Accounting & Auditing	SAO	Updated court reports	0.30	\$ 125.00	\$ 37.50
1/9/2025	Accounting & Auditing	GAH	Rewiewed court report	0.75	\$ 155.00	\$ 116.25
1/12/2025	Accounting & Auditing	SAO	Reconciled #0920, #3666, #3674, #3690, #3708, #3732, #3740 and #3757 bank statements	2.70	\$ 125.00	\$ 337.50
1/14/2025	Accounting & Auditing	WEP	Reviewed final SFAR	1.00	\$ 335.00	\$ 335.00
	Total Accounting & Auditing			8.30		\$ 1,285.00
1/20/2025	Tax	WEP	Packaged data for preparation	1.00	\$ 335.00	\$ 335.00
	Total Tax			1.00		\$ 335.00
5/31/2024			VGMM Invoice #23525			\$ 1,550.00
7/31/2024			VGMM Invoice #23642			\$ 190.00
9/30/2024			VGMM Invoice #23769			\$ 175.00
	Total VGMM Outstanding Invoices					\$ 1,915.00

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

9.30

\$ 3,535.00



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

**Mark A. Kornfeld, Esq. Receiver for Kinetic Investment, LLC
February 1, 2025 through February 28, 2025**

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
2/3/2025	Accounting & Auditing	SAO	Reconciled the following bank statements: #0920, #3666, #3674, #3690, #3708, #3732, #3740 and #3757, ran reports for tax preparer	2.70	\$ 125.00	\$ 337.50
	Total Accounting & Auditing			2.70		\$ 337.50
2/3/2025	Tax	LH	Packaged data for preparation	1.75	\$ 165.00	\$ 288.75
2/4/2025	Tax	WEP	Reviewed tax return	1.25	\$ 335.00	\$ 418.75
2/12/2024	Tax	WEP	Reviewed & finalized tax return	1.25	\$ 335.00	\$ 418.75
	Total Tax			4.25		\$ 1,126.25
Total Mark. A. Kornfeld, Esq. Receiver for Kinetic Investment, LLC				6.95		\$ 1,463.75



4023 Tampa Road, Suite 2000
Oldsmar, FL 34677
Phone (727) 785-4447 Fax (727) 764-5491
www.pdr-cpa.com

Mark A. Kornfeld, Esq. Receiver for Kinetic Investment, LLC
March 1, 2025 through March 31, 2025

Date	Activity Category	Timekeeper	Description	Hours	Rate	Amount
3/3/2025	Accounting & Auditing	SAO	Reconciled #0920 bank statement, recorded bank activity, downloaded and reconciled remaining bank statements	2.05	\$ 125.00	\$ 256.25
	Total Accounting & Auditing			2.05		\$ 256.25
3/27/2025	Consulting	WEP	Reviewed email correspondence	0.75	\$ 335.00	\$ 251.25
	Total Consulting			0.75		\$ 251.25
Total Mark. A. Kornfeld, Esq. Receiver for Kinetic Investment, LLC				2.80		\$ 507.50

1EC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

EXHIBIT “6d”

VALDES, GARCIA, MARIN & MARTINEZ, LLP
 ADDENDUM TO INVOICE 23525

Date	Description – Hours incurred by Yahaira Feliciano	Time Incurred
March 12, 2024	Research on documentation needed for the registry at the Department of State	1.5
March 27, 2024	Email requesting information for registry at Department of State	.25
April 1, 2024	Email to Bill Price for registry information.	.25
April 3, 2024	Complete registry application	1
April 6, 2024	Complete registry application	.25
May 3, 2024	Provide Florida registration documents to Ms Martinez to complete upload of documents to system.	.25
May 8, 2024	Provide additional information to Ms Martinez for the completion of the registry at the Department of State	.25
May 13, 2024	Call with Lauren Humphries and Bill Price for status	.25
May 13, 2024	Email with additional documents request	.25
	Total hours	4.25
	Rate	\$225
	Total invoice for Yahaira Feliciano	\$956.25

Date	Description – Hours incurred by María Martínez	Time Incurred
May 3, 2024	Start uploading information for registry process at Department of State	1
May 6, 2024	Email to Ms Feliciano to request additional information for registry process.	.25
May 8, 2024	Complete registration process with the Department of State and the PR Treasury Department. Time includes emails providing certificates.	5
	Total hours	6.25
	Rate	\$95
	Total invoice for María Martínez	\$593.75

VALDES, GARCIA, MARIN & MARTINEZ, LLP
ADDENDUM TO INVOICE 23642

Date	Description – Hours incurred by María Martínez	Time Incurred
July 23, 2024	Start with the dissolution process at the Department of State. Include email communications with Mark Kornfeld to get authorization.	2
	Total hours	2
	Rate	\$95
	Total invoice for María Martínez	\$190.00

VALDES, GARCIA, MARIN & MARTINEZ, LLP
 ADDENDUM TO INVOICE 23769

Date	Description – Hours incurred by Yahaira Feliciano	Time Incurred
August 6, 2024	Call with Ms Humphries, Mr Kornfeld and Mr Price. During call it was determined not to deregister Kinetic at the Department of State.	.25
	Total hours	.25
	Rate	\$225
	Total invoice for Yahaira Feliciano	\$56.25

Date	Description – Hours incurred by María Martínez	Time Incurred
July 23, 2024	Access request to complete the deregistration of Kinectic at the Department of State. Time includes communications to Mark Kornfeld for the access request.	1
July 29, 2024	Phone call to get additional information on the deregistration process.	.25
	Total hours	1.25
	Rate	\$95
	Total invoice for María Martínez	\$118.75

1EC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

EXHIBIT “6e”

INVOICE



RAD Technology Consulting, LLC
4830 West Kennedy Boulevard
Suite 600
Tampa, Florida 33609
United States

8135171586
radtechconsulting.com

BILL TO

**Buchanan Ingersoll & Rooney PC -
Kinetic Receivership**
Lauren Humphries
401 E. Jackson Street, Suite 2400
Tampa, Florida 33602-5236
United States

(813) 222-1141
lauren.humphries@bipc.com

Invoice Number: 1983

Invoice Date: January 10, 2025

Payment Due: January 10, 2025

Amount Due (USD): \$0.00

Items	Quantity	Price	Amount
Managed WordPress Hosting kineticreceivership.com January 2025	1	\$95.00	\$95.00
Managed DNS Hosting kineticreceivership.com kineticreceivership1.com January 2025	2	\$2.50	\$5.00

Total: \$100.00

Payment on January 10, 2025 using  4008: \$100.00

Amount Due (USD): \$0.00



Payment Receipt

Invoice #1983

for Buchanan Ingersoll & Rooney PC -
Kinetic Receivership

paid on Jan 10, 2025

RAD Technology Consulting, LLC

4830 West Kennedy Boulevard

Suite 600

Tampa, Florida 33609

United States

8135171586

radtechconsulting.com

Payment for Invoice #1983

Payment Amount: **\$100.00 USD**

PAYMENT METHOD:  **** 4008



Thanks for your business. If this invoice was sent in error,
please contact accounting@radtechconsulting.com

INVOICE



RAD Technology Consulting, LLC
4830 West Kennedy Boulevard
Suite 600
Tampa, Florida 33609
United States

8135171586
radtechconsulting.com

Bill to

Buchanan Ingersoll & Rooney PC - Kinetic Receivership
Lauren Humphries
401 E. Jackson Street, Suite 2400
Tampa, Florida 33602-5236
United States

(813) 222-1141
lauren.humphries@bipc.com

Invoice Number: 2126
Invoice Date: February 1, 2025
Payment Due: February 1, 2025

Amount Due (USD): \$0.00

Items	Quantity	Price	Amount
Managed WordPress Hosting kineticreceivership.com	1	\$95.00	\$95.00
Managed DNS Hosting kineticreceivership.com kineticreceivership1.com	2	\$2.50	\$5.00
Total:			\$100.00
Payment on February 1, 2025 using 			\$100.00
Amount Due (USD):			\$0.00



Payment Receipt

Invoice #2126

for Buchanan Ingersoll & Rooney PC -
Kinetic Receivership

paid on Feb 1, 2025

RAD Technology Consulting, LLC

4830 West Kennedy Boulevard

Suite 600

Tampa, Florida 33609

United States

8135171586

radtechconsulting.com

Payment for Invoice #2126

Payment Amount: \$100.00 USD

PAYMENT METHOD:  4008



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please contact accounting@radtechconsulting.com

INVOICE



RAD Technology Consulting, LLC
4830 West Kennedy Boulevard
Suite 600
Tampa, Florida 33609
United States

8135171586
radtechconsulting.com

Bill to

Buchanan Ingersoll & Rooney PC - Kinetic Receivership
Lauren Humphries
401 E. Jackson Street, Suite 2400
Tampa, Florida 33602-5236
United States

(813) 222-1141
lauren.humphries@bipc.com

Invoice Number: 2279
Invoice Date: March 1, 2025
Payment Due: March 1, 2025

Amount Due (USD): \$0.00

Items	Quantity	Price	Amount
Managed WordPress Hosting kineticreceivership.com	1	\$95.00	\$95.00
Managed DNS Hosting kineticreceivership.com kineticreceivership1.com	2	\$2.50	\$5.00
Total:			\$100.00
Payment on March 1, 2025 using 			\$100.00
Amount Due (USD):			\$0.00



Payment Receipt

Invoice #2279

for Buchanan Ingersoll & Rooney PC -
Kinetic Receivership

paid on Mar 1, 2025

RAD Technology Consulting, LLC

1030 West Kennedy Boulevard

Suite 600

Tampa, Florida 33609

United States

8135171586

radtechconsulting.com

Payment for Invoice #2279

Payment Amount: **\$100.00 USD**

PAYMENT METHOD:  **** 4008



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please contact accounting@radtechconsulting.com



Payment Receipt

Invoice #1982

for Buchanan Ingersoll & Rooney PC -
Kinetic Receivership

paid on Jan 10, 2025

RAD Technology Consulting, LLC

4830 West Kennedy Boulevard

Suite 600

Tampa, Florida 33609

United States

8135171586

radtechconsulting.com

Payment for Invoice #1982

Payment Amount: \$25.00 USD

PAYMENT METHOD:  4008



Thanks for your business. If this invoice was sent in error,
please contact accounting@radtechconsulting.com

1EC vs. Kinetic Investment Group, LLC, et al
CASE NO.: 8:20-cv-394

EXHIBIT “7”

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

Relief Defendants.

ORDER

This cause comes before the Court for consideration of the Receiver's Twenty First Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Expenses for January 1, 2025 – March 31, 2025 (the "Application") (Doc. ____). The Securities and Exchange Commission does not oppose the requested relief, and Defendant Michael S. Williams takes no position on the requested relief. (*Id.* at 2, 24).

Having considered the Application and being otherwise fully advised, it is

hereby **ORDERED** as follows:

1. The Application (Doc. ____) 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	\$34,541.00
E-Hounds	\$1,485.00
PDR CPAs + Advisors	\$5,506.25
VGMM	\$1,915.00¹
RAD Consulting	\$325.00²
TOTAL:	\$41,532.25

ORDERED in Tampa, Florida on _____, 2025.

SEAN P. FLYNN
UNITED STATES MAGISTRATE JUDGE

¹ The invoice amount for VGMM is not added to the total requested fees as it is included in the invoiced amount for PDR CPA + Advisors.

² The invoice amount for RAD Consulting is not added to the total requested fees as it is included in the invoiced amount for Buchanan Ingersoll & Rooney PC.