

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:20-cv-00394-MSS-SPF

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
KINETIC INVESTMENT GROUP, LLC and)
MICHAEL SCOTT WILLIAMS,)
)
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.)
_____)

**PLAINTIFF'S MOTION FOR FINAL JUDGMENT AGAINST
DEFENDANT MICHAEL SCOTT WILLIAMS**

Pursuant to the Court's October 16, 2025 Order [DE 363], Plaintiff Securities and Exchange Commission (the "SEC") respectfully moves the Court for entry of a Final Judgment against Michael Scott Williams ("Williams") that: (1) permanently restrains and enjoins Williams from violating the antifraud provisions of the federal securities laws alleged in the Complaint; (2) orders Williams to pay disgorgement of \$1,512,575.50, plus prejudgment interest of

\$256,300.21, for a total of \$1,768,875.71, which shall be offset by \$1,606,068.20 in sales proceeds of real property Williams turned over to the Court-appointed Receiver, for a net disgorgement of \$162,807.51; and (3) orders Williams to pay a civil penalty of \$500,000. In support of this motion, the SEC states:

I. Relevant Procedural History

On February 20, 2020, the SEC filed its Complaint against Williams and corporate defendant Kinetic Investment Group, LLC (“Kinetic Group”, together with Williams, “Defendants”), and Relief Defendants Kinetic Funds I, LLC (“Kinetic Funds”), KCL Services, LLC d/b/a Lendacy (“Lendacy”), Scipio, LLC, LF42, LLC, El Morro Financial Group, LLC, and KIH, Inc. f/k/a Kinetic International, LLC (collectively, “Relief Defendants”, together with Kinetic Group, the “Receivership Entities”) [DE 1]. The Complaint alleged, among other things, that since 2013, Defendants raised at least \$39 million from at least 30 investors for their hedge fund that they managed, Kinetic Funds, that they steered investor funds toward Kinetic Funds’ largest sub-fund, Kinetic Funds Yield (“KFYield”), that Defendants made material misrepresentations and omissions regarding the use of investor funds and KFYield’s performance, and that Williams misappropriated over \$6.3 million in investor funds for the benefit of himself and entities he controlled. *Id.*

On the SEC's motion and following a hearing, the Court entered on March 6, 2020 Orders freezing Defendants' and Relief Defendants' assets [DE 33], and appointing a Receiver over the Receivership Entities [DE 34].

On November 5, 2020, the Court entered a judgment of permanent injunction against the Receivership Entities [DE 156] pursuant to their consent [DE 86], and with monetary relief to be addressed upon motion by the SEC.

Following discovery, on March 12, 2021, the SEC moved for summary judgment against Williams on all counts alleged against him in the Complaint (Counts I – XIV) [DE 200], and Williams moved for summary judgment [DE 202] and for judgment on the pleadings [DE 201]. On November 22, 2024, the Court entered an Order granting the SEC's motion for summary judgment as to Counts I – VII, IX, XI, XIII of the Complaint¹, denying Williams' motion for summary judgment and motion for judgment on the pleadings, reserving ruling on whether the SEC is entitled to a permanent injunction against Williams and the amount of disgorgement and prejudgment interest to impose against him, and reserving jurisdiction to impose a civil money penalty against him [DE 338].

The SEC hereby seeks entry of a final judgment against Williams ordering permanent injunctive relief, disgorgement and prejudgment interest thereon, and

¹ Counts VIII, X, XII, and XIV were pled in the alternative to the respective preceding counts.

a civil penalty in the amounts set forth herein. This motion will resolve the SEC's remaining claims for injunctive and monetary relief against Williams and, together with the SEC's simultaneously-filed motion for entry of final judgment against the Receivership Entities, will conclude this litigation.

II. Summary of Findings on Summary Judgment

As the Court found on summary judgment, Williams made several misrepresentations and omissions to convince investors to entrust their funds with him, and misappropriated investor funds. Specifically, the Court determined that:

3. The SEC has established Williams engaged in the following misrepresentations and omissions, in violation of Section 17(a)(2) and Rule 10b-5(b) (Counts II, V):

a. Williams negligently obtained investor money by means of an omission regarding the source of Lendacy's funding. (First Category)

b. Williams knowingly misrepresented to investors that their investment would be invested in U.S.-listed financial products, instead diverting their capital to Lendacy, which he was the majority owner of. (Third Category)

c. Williams knowingly misrepresented to investors that their principal would be secure because 90% of the KFYield portfolio would be hedged with U.S.-listed options. (Fourth Category)

d. Williams knowingly misrepresented to investors that the KFYield assets had liquidity. (Fifth Category)

e. Williams knowingly misrepresented the performance of the KFYield portfolio. (Seventh Category)

f. Williams failed to disclose to investors that he and his entities, Scipio, and LF42, were receiving loans from Lendacy. (Ninth Category)

g. Williams failed to disclose to investors that he used investor capital, routed to LF42 from Lendacy, to invest in Zephyr Aerospace. (Tenth Category).

4. The SEC has established Williams' scheme liability because he engaged in multiple misappropriations of investor funds in violation of § 17(a)(1), (3) and Rule 10b-5 (a), (c) (Counts I, III-IV, VI). Further Williams' knowing dissemination of misleading materials establishes scheme liability in an alternative manner because he acted with an "intent to deceive, manipulate or defraud." *Ernst & Ernst*, 425 U.S. at 193.

5. The SEC has established Williams violated the Advisers Act (Counts VII, IX, XI, XIII) as he engaged in material misrepresentations and/or omissions and acted as an "investment adviser" within the meaning of the Act in light of his control over Defendant Kinetic Group, which managed Kinetic Funds.

See DE 338 at pp. 108-109.

The Court also found that the SEC provided "overwhelming record evidence to support its contention that Williams misappropriated investor funds." *Id.* at p. 68. For example, Williams used \$1,512,575.50 of investor funds to purchase three luxury apartments and two parking spaces in San Juan, Puerto Rico for his personal use (the "Puerto Rico residence"). *Id.*

III. The Court Should Enter a Final Judgment Imposing Injunctive and Monetary Relief Against Williams

A. The Court Should Permanently Enjoin Williams

The SEC is entitled to a permanent injunction if it demonstrates that: (1) it actually has succeeded on the merits, (2) irreparable harm will likely result in the absence of the injunction, (3) the balance of the equities tips in the SEC's favor, and (4) the injunction is in the public interest. *See Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 32 (2008) (factors pertinent in assessing preliminary or permanent injunctive relief); *see also Starbucks v. McKinney*, 144 S. Ct. 1570, 1576 (2024) (noting that “[w]hen Congress empowers courts to grant equitable relief, there is a strong presumption that courts will exercise that authority in a manner consistent with traditional principles of equity,” which, with regard to injunctive relief, includes using “the traditional four-part test” set forth in *Winter*). Additionally, every injunction must sufficiently describe the conduct to be restrained. *See Fed. R. Civ. P.* 65(d); *see also SEC v. Goble*, 682 F.3d 934, 952 (11th Cir. 2012).

The SEC meets all the prerequisites for permanent injunctive relief.

1. Success on the Merits

The SEC obtained summary judgment and, thus, has succeeded on the merits of its claims. *See* DE 338.

2. Likelihood of Irreparable Harm

Absent an injunction, there likely will be irreparable harm to investors given the likelihood of Williams' future violations of the federal securities laws. *See SEC v. Chappell*, 107 F.4th 114, 128-29 (3d Cir. 2024) (recognizing that the “irreparable

harm requirement” is satisfied by a “cognizable risk of future harm”) (citing *SEC v. Gentile*, 939 F.3d 549, 555-58 (3d Cir. 2019)). In determining a defendant’s likelihood of future harm, courts consider:

- (1) the egregiousness of the defendant’s actions;
- (2) the isolated or recurrent nature of the violations;
- (3) the degree of scienter involved;
- (4) the sincerity of the defendant’s assurances against future violations;
- (5) the defendant’s recognition of the wrongful nature of his conduct; and
- (6) the likelihood that the defendant’s occupation will present opportunities for future violations.

Goble, 682 F.3d at 948. Not every factor must be present to warrant entry of an injunction. See *SEC v. Murphy*, 626 F.2d 633, 656 (9th Cir. 1980) (“[t]he factors are not individual prerequisites . . .”).

The factors indicate that Williams is likely to violate the federal securities laws in the future. As to the first, second, and third factors, Williams’ conduct was egregious, recurrent, and involved a high degree of scienter. For more than six years (2013-2019), Williams knowingly misrepresented the use, safety, and liquidity of investor funds, among other things, and “engaged in multiple misappropriations of investor funds”, including \$1,512,575.50 to purchase the Puerto Rico residence. See DE 338 at pp. 68, 109.

As to the fourth and fifth factors, Williams has not provided assurances against future violations or recognized the wrongful nature of his conduct. Throughout this litigation, Williams has disclaimed wrongdoing, digging in on his ill-conceived notion that he used portfolio margin, and not investor funds, to purchase the Puerto Rico residence and fund his other businesses. *See* DE 338 at pp. 38-39 (summarizing and rejecting Williams' theory).

The sixth factor – whether Williams' occupation will present opportunities for future violations – is neutral at best. Williams' present occupation is unknown. At least as late as February 2021, Williams represented that he is a book author. *See* Williams' deposition, DE 200-15 at 23:17-22; *see also* DE 49 at p. 9 and DE 94 at ¶8. On July 19, 2023, a federal grand jury in the United States District Court of Puerto Rico returned a sealed Indictment against Williams. *United States v. Williams*, 3:23-cr-00276-SCC (D.P.R.). The criminal case against Williams is pending while the Government seeks to extradite him from Portugal.

3. Balance of Equities

The balance of equities considers “the parties' relative harms,” *i.e.*, the potential injury to the SEC without the injunction versus the potential injury to Williams with it imposed. *SEC v. Chappell*, 107 F.4th at 138. Here, injunctive relief is necessary to protect investors from Williams and to facilitate the SEC's enforcement of the federal securities laws. *See SEC v. Bonastia*, 614 F.2d 908, 912

(3d Cir. 1980) (“The purpose of injunctive relief is not to punish the violator, but to deter him from committing future infractions of the securities laws.”); *Manor Nursing Ctrs., Inc.*, 458 F.2d 1082, 1102 (2d Cir. 1972) (“investors need [] the protection of an injunction notwithstanding the private interests of a defendant, especially in light of the likelihood of the defendant’s future fraud violations); *SEC v. IMC Intern, Inc.*, 384 F.Supp. 889, 894 (N.D. Tex. 1974) (“When it is clearly shown that violations have occurred, the manifest difficulty of the Government’s inspecting, investigating and litigating every complaint of a violation weighs heavily in favor of enforcement by injunction in this circuit, particularly since the statutory injunction is the basic tool provided the SEC for requiring compliance with the reporting provisions of the Exchange Act.”).

4. Public Interest

“As a practical matter, if a plaintiff demonstrates both actual success on the merits and irreparable injury, it almost always will be the case that the public interest will favor the plaintiff.” *Chappell*, 107 F.4th at 139. The public interest in enforcing Congress’ antifraud provisions favors enjoining Williams. The “antifraud provisions effectuate the federal securities laws’ purpose of full disclosure and prevention of unfair practices by proscribing the sale or purchase of any security through fraud, or through the use of materially false or misleading

statements or omissions.” *SEC v. Nat’l Student Marketing Corp.*, 457 F. Supp. 682, 701 (1978).

5. Specificity and Fair Notice

Rule 65(d) provides that “[e]very order granting an injunction . . . must: (A) state the reasons why it issued; (B) state its terms specifically; and (C) describe in reasonable detail – and not by referring to the complaint or other document – the act or acts sought to be restrained or required.” *See* Fed. R. Civ. P. 65(d). The Eleventh Circuit likewise requires that judgments for injunctive relief describe in reasonable detail the acts or conduct sought to be restrained. *Goble*, 682 F.3d at 934; *SEC v. Graham*, 823 F.3d 1357, 1362 n.2 (11th Cir. 2016) (noting that the court has repeatedly said “in the context of SEC enforcement actions and otherwise, ‘obey-the-law’ injunctions are unenforceable.”). The *Goble* court, while questioning whether merely reciting the language of a statute in an injunction adequately informs a defendant of the prohibited conduct, also explained that “a broad, but properly drafted injunction, which largely uses the statutory or regulatory language may satisfy the specificity requirement of Rule 65(d) so long as it clearly lets the defendant know what he is ordered to do or not do.” *Id.* at 952.

Here, the proposed Final Judgment, attached as **Exhibit “1”**, states the reason for issuance of a permanent injunction, *i.e.*, the Court’s entry of summary judgment against Williams as to Counts I – VII, IX, XI, and XIII of the Complaint.

Additionally, the proposed Final Judgment specifies the terms of the injunction and sufficiently notifies Williams of the restrained conduct. As to Securities Act Section 17(a), Exchange Act Section 10(b) and Rule 10b-5 thereunder, the proposed Final Judgment, among other things, restrains and enjoins Williams from

directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about: (A) any investment strategy or investment in securities, (B) the prospects for success of any product or company, (C) the use of investor funds, (D) compensation to any person, (E) Defendant's qualifications to advise investors; or (F) the misappropriation of investor funds or investment proceeds.

The proposed injunctive language under Advisers Act Sections 206(1), 206(2), and 206(4) and Rule 206(4)-8(a) thereunder, applicable to investment advisers, is substantially similar to that quoted above.

Accordingly, the Court should permanently enjoin Williams from violating the subject federal securities laws. *See SEC v. Davison*, 8:20-cv-00325-MSS (M.D. Fla. Aug. 5, 2021 (DE 355) (consented-to final judgment with similar injunctive language as to Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder); *SEC v. Ruiz*, 0:22-cv-61609-WPD (S.D. Fla. Nov. 19, 2024) (DE 28) (same as to final judgment); *SEC v. Garcia*, 3:20-cv-01681-ADC (D.P.R. Feb. 20, 2025) (DE 62) (final judgment with similar injunctive language as to Securities Act Section 17(a), Exchange Act Section 10(b) and Rule 10b-5 thereunder, and

Advisers Act Sections 206(1) and (2)); *SEC v. Jaitley*, 1:21-cv-00832-DAE (W.D. Tex. Dec. 12, 2024) (DE 85) (same); *SEC v. Conrad*, 2019 WL 13214083, *10 (N.D. Ga. Sept. 30, 2019) (final judgment with similar injunctive language as to Advisers Act Section 206(4) and Advisers Act Rule 206(4)-8)); *SEC v. Mueller*, 5:21-cv-00785-XR (W.D. Tex. June 21, 2024) (DE 162) (same as to consented-to judgment).

B. The Court Should Order Disgorgement with Prejudgment Interest, Which Shall be Offset by Property Sale Proceeds

The “primary purpose of disgorgement orders is to deter violations of the securities laws by depriving violators of their ill-gotten gains.” *Kokesh v. SEC*, 137 S. Ct. 1635, 1643 (2017). The Court has the authority to order disgorgement “that does not exceed a wrongdoer’s net profits and is awarded for victims.” *Liu v. SEC*, 140 S. Ct. 1936, 1940 (2020). The SEC is entitled to disgorgement “upon producing a reasonable approximation of a defendant’s ill-gotten gains.” *SEC v. Calvo*, 378 F.3d 1211, 1217 (11th Cir. 2004). “Exactitude is not a requirement.” *SEC v. ETS Payphones, Inc.*, 408 F.3d 727, 735 (11th Cir. 2005). Further, a defendant’s financial situation, or any financial hardship that disgorgement would impose, are not factors to be considered in determining disgorgement. *SEC v. Warren*, 534 F.3d 1368, 1370 (11th Cir. 2008).

The Court has discretion to impose prejudgment interest. *SEC v. Carillo*, 325 F.3d 1268, 1273 (11th Cir. 2003). Requiring payment of interest prevents a defendant from obtaining the benefit of what amounts to an interest free loan

procured from illegal activity. *SEC v. Commonwealth Equity Services, LLC*, 2024 WL 1375970, *12 (D. Mass. Mar. 29, 2024).

Here, the Court should impose disgorgement of \$1,512,575.50, plus prejudgment interest of \$256,300.21, for a total of \$1,768,875.71, which shall be offset by \$1,606,068.20 in proceeds from the sale of the Puerto Rico residence, for a net disgorgement of \$162,807.51. As this Court found, Williams misappropriated \$1,512,575.50 in investor funds to purchase the Puerto Rico residence. *See* DE 338 at p. 68 (“For example, in regard to Williams using \$1,512,575.50 of investor assets to purchase real property for himself in San Juan, Puerto Rico, Williams admitted in his deposition that he knew \$1.5 million of investor assets were withdrawn from Kinetic Funds’ bank account on March 21, 2017.”); *see also* Declaration of SEC accountant Crystal Ivory, DE 2-1 at ¶14.

The prejudgment interest on Williams’ ill-gotten gains of \$1,512,575.50 amounts to \$256,300.21, which is calculated from March 24, 2017 (the date of the recorded deed for the Puerto Rico residence, *see* DE 2-13) to July 8, 2020 (the date the Court ordered the turnover of the Puerto Rico residence to the Receiver per stipulation between Williams and the Receiver, *see* DE 105). Williams’ prejudgment interest is properly based on the tax underpayment rate set forth in 26 U.S.C. § 6621(a)(2). *See SEC v. Huff*, 758 F.Supp.2d 1288, 1363 (S.D. Fla. 2010) (applying the IRS underpayment rate because it reflects what “it would have cost

to borrow the money from the government and therefore reasonably approximates one of the benefits the defendant derived from his fraud); *see also* Williams' Prejudgment Interest Report, attached hereto as **Exhibit "2"**.

Nearly five months after the SEC filed this emergency action, Williams turned over to the Receiver the Puerto Rico residence, which was later sold by the Receiver for net proceeds of \$1,606,068.20. *See* Settlement Statement and Wire Detail, attached hereto as **Exhibit "3"**; *see also* summary table illustrating breakdown of the Puerto Rico residence net sales proceeds, attached hereto as **Exhibit "4"**.

As illustrated in the chart below, after adding Williams' disgorgement of \$1,512,575.50, and prejudgment interest thereon of \$256,300.21, and offsetting that sum by the \$1,606,068.20 in proceeds from the sale of the Puerto Rico residence, Williams still owes \$162,807.51 in disgorgement:

Disgorgement Calculation:	Amount
Purchase of Puerto Rico residence	\$1,512,575.50
Prejudgment Interest:	\$256,300.21
Total Disgorgement with Prejudgment Interest:	\$1,768,875.71
Less:	
Sale proceeds from Puerto Rico residence	\$(1,606,068.20)
Net Disgorgement:	\$162,807.51

Williams is not entitled to any deductions from disgorgement. As to disgorging net profits, “a defendant is entitled to a deduction for all marginal costs incurred in producing the revenues that are subject to disgorgement.” *Liu*, 140 S. Ct. at 1950 (citing Restatement (Third) of Restitution and Unjust Enrichment, § 51, Comment h, at 216). Williams has not provided any evidence of business expense deductions, and at least two circuit courts have held that the defendant bears the burden to provide evidence of legitimate expenses. *United States Commodity Futures Trading Comm’n v. Tayeh*, 848 F.Appx. 827, 830 (11th Cir. 2021) (per curiam); *SEC v. Fowler*, 6 F.4th 255, 267 (2d Cir. 2021).

Disgorged funds should be distributed to harmed investors when feasible. *Liu*, 140 S. Ct. at 1948-49.² Here, any funds collected from Williams while the receivership is pending would be transferred to the Court-appointed receiver for distribution to investors. As to any funds collected from Williams post-receivership, the SEC anticipates petitioning the Court to establish a fund for the benefit of defrauded investors under the Fair Fund provision of Section 308 of the Sarbanes-Oxley Act of 2002, so that any payments may be distributed, if feasible, to injured investors.

² The Court noted but did not decide whether disgorgement could be awarded when a distribution was infeasible. *See id.* at 1948-49.

C. The Court Should Order a \$500,000 Civil Penalty

A substantial penalty is necessary and appropriate to financially punish Williams for his unlawful activities and to deter others from engaging in violations of the federal securities laws. *See SEC v. Lyndon*, 39 F.Supp.3d 1113, 1123 (D. Haw. 2014) (the purpose of a civil penalty is both punishment and deterrence). The deterrence of securities law violations through the imposition of monetary sanctions advances important goals, such as “encouraging investor confidence, increasing the efficiency of financial markets, and promoting the stability of the securities industry.” *See SEC v. Palmisano*, 135 F.3d 860, 866 (2d Cir. 1998).

Section 20(d) of the Securities Act [15 U.S.C. §77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. §80b-9(e)] authorize civil penalties under a three-tiered structure for federal securities violations. Under the third tier, which applies here because Williams is liable for scienter based claims resulting in substantial losses or a significant risk of substantial losses to others, the Court may impose a civil penalty, in light of the facts and circumstances, that does not exceed the greater of (i) \$236,451 on an individual defendant for each violation (occurring from November 3, 2015 onward)³ or (ii) the gross amount of pecuniary gain to the defendant as a result of

³ The figures are taken from the Federal Civil Penalties Inflation Adjustment Act of 1990, which adjusted the potential penalty amounts to account for inflation based on violation dates. 17 C.F.R. §§201.1001-1005.

the violation. 15 U.S.C. §77t(d)(2)(C), 15 U.S.C. §78u(d)(3)(B)(iii), 15 U.S.C. §80b-9(e)(2)(C). Courts have determined that a violation occurs each time a defendant has acted to violate the securities laws. *See Huff*, 758 F. Supp. 2d at 1366 (calculating civil penalty by the number of defendant's false financial filings); *SEC v. Lazare Indus., Inc.*, 294 Fed.Appx.711, 715 (3d Cir. 2008) (for the purposes of assessing reasonableness of court's assessment of penalty, court can consider each sale of unregistered stock as a separate violation).

In determining the amount of the civil penalty to assess against a defendant, courts consider the following factors: (1) the egregiousness of the violations at issue, (2) the defendant's scienter, (3) the repeated nature of the violations, (4) the defendant's failure to admit to their wrongdoing; (5) whether the defendant's conduct created substantial losses or the risk of substantial losses to other persons; (6) the defendant's lack of cooperation and honesty with authorities, if any; and (7) whether the penalty that would otherwise be appropriate should be reduced due to the defendant's demonstrated current and future financial condition. *Huff*, 758 F. Supp. 2d at 1364.

Here, a \$500,000 civil penalty against Williams comports with statutory parameters. This amount falls well below the statutory amount available under the per violation method and the pecuniary gain method. A conservative example under a per violation method results in a \$945,804 penalty. The Court found,

among other things, that Williams knowingly made 4 misrepresentations regarding the use, safety and liquidity of investor funds, and the performance of the KFYield portfolio. *See* DE 338 at p. 108. Seeking a penalty for these 4 misrepresentations alone would result in a penalty of \$945,804 ($\$236,451 \times 4$).⁴ This amount does not include the negligent misrepresentation, two omissions, or the “multiple misappropriations” also found by the Court, and which could be properly counted toward assessing the penalty amount. *See* DE 338 at pp. 108-109. Similarly, under the pecuniary gain method, Williams’ penalty would be \$1,512,575.50, the amount of investor funds he misappropriated to purchase the Puerto Rico residence.

A \$500,000 civil penalty also meets the factors for judicial consideration. As to the first, second, and third factors, Williams’ violations – fraudulent misrepresentations and omissions and misappropriation of investor funds – were egregious, recurrent, and involved a high degree of scienter as discussed above in Section III.A.2. It also bears emphasizing that Williams used margin – debt which carries interest – to fund his personal and business expenses, and that he sourced the margin using investor funds, or in other words, “[got] the margin by collateralizing grandma’s stock.” *See* DE 338 at p. 41 (quoting Judge Jung at the

⁴ [SEC.gov | Inflation Adjustments to the Civil Monetary Penalties Administered by the Securities and Exchange Commission \(as of January 15, 2025\)](https://www.sec.gov/investor/penalties/civil-monetary-penalties-administered-by-the-securities-and-exchange-commission-as-of-january-15-2025) (last visited January 4, 2026).

March 6, 2020 asset freeze hearing) and p. 42. As to the fourth factor, Williams has not admitted wrongdoing as discussed above in Section III.A.2. He also has not been forthcoming, which is relevant to the sixth factor. For example, the Court noted instances when Williams was evasive regarding his use of investor funds to invest in Zephyr aerospace without disclosure to investors, and to fund margin loans made for his and his entities' benefit. *See* DE 338 at pp. 66, 95. The fifth factor is also satisfied because Williams' conduct created substantial losses to investors (including a pension fund), whose Receiver-approved claims total over \$33 million and exceed the assets collected in the receivership, which total approximately \$20 million. *See* DE 249-1, 249-2, 290 at p. 2, and 364 at p. 13. As to the seventh factor, Williams' current and future financial condition is unknown, although he has claimed inability to pay living expenses. *See* DE 94.

Overall, the factors heavily favor a \$500,000 civil penalty against Williams. *See SEC v. Navellier & Assoc., et al.*, No.17-cv-11633-DJC (D. Mass. Sept. 21, 2021) (\$500,000 civil penalty imposed against defendant found liable at summary judgment for violations of Sections 206(1) and (2) of the Advisers Act); *In the Matter of Resilience Management, LLC, et al.*, IA Rel. No. 4721, IC Rel. No. 32716, 2017 WL 2807441 (June 29, 2017) (\$500,000 civil penalty imposed by consent against respondent for alleged violations of Sections 206(2) and (4) of the Advisers Act and Rule 206(4)-8 thereunder, and for allegedly causing violations of Sections 204 and

206(4) of the Advisers Act and Rules 204-2 and 206(4)-7 thereunder); *SEC v. Krieger*, No. 9:23-cv-80398-RLR (S.D. Fla. June 17, 2024) (\$460,928 civil penalty imposed by consent against defendant for alleged violations of Sections 17(a)(1) and (a)(3) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder); *SEC v. Profile Solutions, Inc., et al.*, No. 22-cv-61699-JEM (S.D. Fla. Oct. 15, 2024) (\$450,000 civil penalty imposed against defendant found liable at summary judgment for violations of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rules 10b-5(a) and (c) thereunder).

V. Conclusion

For the reasons stated above, the SEC respectfully requests that the Court grant this motion and enter the proposed Final Judgment submitted herewith.

LOCAL RULE 3.01(g) CERTIFICATION

Pursuant to Local Rule 3.01(g), undersigned counsel represents that the SEC conferred with counsel for Williams, who opposes this motion, and counsel for the Receiver, who does not oppose this motion.

January 12, 2026

Respectfully submitted,

By: /s/ Christine Nestor
Christine Nestor
Senior Trial Counsel
Fla. Bar No. 597211
Direct Dial: (305) 982-6367
E-mail: nestorc@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
801 Brickell Avenue, Suite 1950
Miami, FL 33131
Facsimile: (305) 536-4154

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 12, 2026, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF.

/s/ Christine Nestor
Christine Nestor

SERVICE LIST

Timothy W. Schulz, Esq.
TIMOTHY W. SCHULZ, P.A.
224 Datura Street, Suite 815
West Palm Beach, Florida 33401
Telephone: (561) 659-1167
Facsimile: (561) 659-1168
Email: schulzt@twslegal.com
Email: e-service@twslegal.com
Co-Trial Counsel for Williams

Jon A. Jacobson, Esq.
JACOBSON LAW P.A.
224 Datura St., Suite 812
West Palm Beach, FL 33401
Telephone: (561) 880-8900
Facsimile: (561) 880-8910
Email: jjacobson@jlpa.com
Email: e-service@jlpa.com
Co-Trial Counsel for Williams

Lauren V. Humphries, Esq.
Buchanan Ingersoll & Rooney PC
401 E. Jackson St., Suite 2400
Tampa, FL 33602
813-222-2098
lauren.humphries@bipc.com
Counsel for Receiver, Mark A. Kornfeld

EXHIBIT 1

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

CASE NO.: 8:20-cv-00394-MSS-SPF

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
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v.)
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KINETIC INVESTMENT GROUP, LLC and)
MICHAEL SCOTT WILLIAMS,)
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Defendants, and)
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)
Relief Defendants.)
_____)

FINAL JUDGMENT AGAINST DEFENDANT MICHAEL SCOTT WILLIAMS

This cause comes before the Court upon the Motion by Plaintiff Securities and Exchange Commission (the “Commission”) for Entry of a Final Judgment (“Final Judgment”) against Defendant Michael Scott Williams (“Defendant” or “Williams”). This Court previously entered summary judgment against Defendant as to Counts I – VII, IX, XI, and XIII of the Complaint,¹ as set forth in

¹Counts VIII, X, XII, and XIV were pled in the alternative to the respective preceding counts.

the Order entered on November 22, 2024 (DE 338), and hereby further finds that good cause exists for entry of Final Judgment. Accordingly, the Commission's Motion is **GRANTED** and the Court orders as follows:

I.

PERMANENT INJUNCTIVE RELIEF

A.

Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of investor funds,
- (D) compensation to any person,
- (E) Defendant's qualifications to advise investors; or
- (F) the misappropriation of investor funds or investment proceeds.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

B.

Section 17(a) of the Securities Act of 1933

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of

the Securities Act of 1933 [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of investor funds,
- (D) compensation to any person,
- (E) Defendant's qualifications to advise investors; or
- (F) the misappropriation of investor funds or investment proceeds.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

C.

Sections 206(1) and (2) of the Investment Advisers Act of 1940

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, while acting as an investment adviser, Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (the "Advisers Act") [15 U.S.C. §§80b-6(1) and (2)] by using the mails or any means or instrumentality of interstate commerce, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud any client or prospective client; or
 - (b) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client
- by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any client or prospective client, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or

misleading statement in any communication with any client or prospective client,
about:

- (A) any investment strategy or investment in securities,
- (B) the prospects for success of any product or company,
- (C) the use of client funds,
- (D) compensation to any person,
- (E) Defendant's qualifications to advise clients; or
- (F) the misappropriation of client funds or investment proceeds.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

D.

Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, while acting as an investment adviser to one or more pooled investment vehicles, Section 206(4) of the Advisers Act [15 U.S.C. §80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. §

275.206(4)-8], by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly:

(a) to make any untrue statement of a material fact and/or to omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle; or

(b) otherwise to engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any investor or prospective investor, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

(A) any investment strategy or investment in securities,

(B) the prospects for success of any product or company,

(C) the use of client funds,

(D) compensation to any person,

(E) Defendant's qualifications to advise clients; or

(F) the misappropriation of client funds or investment proceeds.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

**DISGORGEMENT, PREJUDGMENT INTEREST,
AND CIVIL PENALTY**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$1,512,575.50, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$256,300.21, for a total of \$1,768,875.71, which shall be offset by \$1,606,068.20 in sales proceeds of real property Defendant turned over to the Court-appointed Receiver. Defendant is also liable for a civil penalty in the amount of \$500,000 pursuant to Section 20(d) of the Securities Act, Section 21(d)(3) of the Exchange Act, and Section 209(e) of the Advisers Act. Defendant shall satisfy this obligation by paying \$662,807.51 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at

<http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Williams as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law,

including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation of any Court orders issued in this action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after

offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

III.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over this matter for the purposes of enforcing the terms of this Final Judgment.

IV.

RULE 54(b) CERTIFICATION

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

DONE AND ORDERED in Chambers in _____, Florida,
this _____ day of _____, 2026.

UNITED STATES DISTRICT JUDGE

Copies to: Counsel and Parties of Record

EXHIBIT 2



**U.S. Securities and Exchange Commission
Prejudgment Interest Report**

Williams PJI Date of Deed to Date of Turnover Order

Quarter Range	Annual Rate	Period Rate	Quarter Interest	Principal+Interest
Violation Amount				\$1,512,575.50
04/01/2017-06/30/2017	4.00%	1%	\$15,084.31	\$1,527,659.81
07/01/2017-09/30/2017	4.00%	1.01%	\$15,402.16	\$1,543,061.97
10/01/2017-12/31/2017	4.00%	1.01%	\$15,557.45	\$1,558,619.42
01/01/2018-03/31/2018	4.00%	0.99%	\$15,372.68	\$1,573,992.10
04/01/2018-06/30/2018	5.00%	1.25%	\$19,621.00	\$1,593,613.10
07/01/2018-09/30/2018	5.00%	1.26%	\$20,083.89	\$1,613,696.99
10/01/2018-12/31/2018	5.00%	1.26%	\$20,337.00	\$1,634,033.99
01/01/2019-03/31/2019	6.00%	1.48%	\$24,174.75	\$1,658,208.74
04/01/2019-06/30/2019	6.00%	1.5%	\$24,804.99	\$1,683,013.73
07/01/2019-09/30/2019	5.00%	1.26%	\$21,210.58	\$1,704,224.31
10/01/2019-12/31/2019	5.00%	1.26%	\$21,477.90	\$1,725,702.21
01/01/2020-03/31/2020	5.00%	1.24%	\$21,453.40	\$1,747,155.61
04/01/2020-06/30/2020	5.00%	1.24%	\$21,720.10	\$1,768,875.71
Prejudgment Violation Range			Quarter Interest Total	Prejudgment Total
04/01/2017-06/30/2020			\$256,300.21	\$1,768,875.71

EXHIBIT 3



SETTLEMENT STATEMENT

Statement Date:
January 12, 2023

CLIENT(S):			
Seller: Mark A. Kornfeld, as receiver of Kinetic Investment Group, LLC		Purchaser: Allan Rothstein	Property Location: Villa Gabriela Apt. 2-E Old San Juan, PR
A. SUMMARY TRANSACTION:			
PURCHASE PRICE	\$	250,000.00	
DEPOSIT	\$	7,500.00	
CLOSING DATE PAYMENT:	\$	242,500.00	
B. SELLER'S COST AND EXPENSES:			
Benjamin Rivera Iglesias Lic. C-18918	\$	3,750.00	
Bouret Real Estate L-16493	\$	3,900.00	
Notarial Fees	\$	2,500.00	
Stamps for Original Deed	\$	277.00	
Department of Treasury Filing (SURI)	\$	100.00	
TOTAL COSTS:	\$	10,527.00	
C. PURCHASER'S COST AND EXPENSES:			
Stamps for Certified Deed	\$	139.00	
Registry Vouchers	\$	965.50	
Certified Copy (1)	\$	100.00	
Registry Filing Fee (1)	\$	125.00	
CRIM Filings (1)	\$	100.00	
Act 7 Certification	\$	50.00	
Estudio de Titulo	\$	120.00	
Karibe Fee (1)	\$	10.00	
Document Preparation (Closing Agent Fee)	\$	250.00	
TOTAL COSTS:	\$	1,859.50	
PURCHASER'S CLOSING DISBURSEMENTS	\$	244,359.50	
CRIM PRORATE: Outstanding Balance		\$ 762.67	Debt July 1st-Dec 31st, 2022: \$724.15 (Amount owed by Seller) Debt: Jan 1st-June 30th, 2023: \$578.79; \$578.79/180 days = \$3.21 per day. Amount owed by Seller for 2023: \$38.52
HOA VILLA GABRIELA: Outstanding Balance		\$ 1,259.87	
D. ITEMIZATION OF PURCHASER'S DISBURSEMENTS:			
Mark A. Kornfeld, as receiver Kinetic Investment Group, LLC	\$	240,477.46	\$242,500.00 less \$762.67 less \$1,259.87
IRW Law Office (Purchaser's Costs and Expenses)	\$	1,859.50	
Total:	\$	242,336.96	
E. ITEMIZATION OF SELLER'S DISBURSEMENTS:			
Benjamin Rivera Iglesias (Broker)	\$	3,750.00	
Coral Bouret Borges (Broker)	\$	1,950.00	
Diana Caballero (Broker)	\$	1,950.00	
IRW Law Office (Seller's Costs and Expenses)	\$	2,877.00	
Total:	\$	10,527.00	

Signature Buyers:

Signature Sellers:



SETTLEMENT STATEMENT

Statement Date:
January 12, 2023

CLIENT(S):			
Seller: Mark A. Kornfeld, as receiver of Kinetic Investment Group, LLC		Purchaser: Allan Rothstein	Property Location: Villa Gabriela Parking 16 Old San Juan, PR
A. SUMMARY TRANSACTION:			
PURCHASE PRICE	\$	100,000.00	
DEPOSIT	\$	3,000.00	
CLOSING DATE PAYMENT:	\$	97,000.00	
B. SELLER'S COST AND EXPENSES:			
Benjamin Rivera Iglesias Lic. C-18918	\$	1,500.00	
Bouret Real Estate L-16493	\$	1,560.00	
Notarial Fees	\$	1,000.00	
Stamps for Original Deed	\$	112.00	
Department of Treasury Filing (SURI)	\$	100.00	
TOTAL COSTS:	\$	4,272.00	
C. PURCHASER'S COST AND EXPENSES:			
Stamps for Certified Deed	\$	56.00	
Registry Vouchers	\$	365.00	
Certified Copy (1)	\$	100.00	
Registry Filing Fee (1)	\$	125.00	
CRIM Filings (1)	\$	100.00	
Act 7 Certification	\$	50.00	
Estudio de Titulo	\$	120.00	
Karibe Fee (1)	\$	10.00	
Document Preparation (Closing Agent Fee)	\$	250.00	
TOTAL COSTS:	\$	1,176.00	
PURCHASER'S CLOSING DISBURSEMENTS	\$	98,176.00	
HOA COCHERA SF: Outstanding Balance	\$	1,305.23	
D. ITEMIZATION OF PURCHASER'S DISBURSEMENTS:			
Mark A. Kornfeld, as receiver Kinetic Investment Group, LLC	\$	95,694.77	\$97,000 less \$1,305.23
IRW Law Office (Purchaser's Costs and Expenses)	\$	1,176.00	
Total:	\$	96,870.77	
E. ITEMIZATION OF SELLER'S DISBURSEMENTS:			
Benjamin Rivera Iglesias (Broker)	\$	1,500.00	
Coral Bouret Borges (Broker)	\$	780.00	
Diana Caballero (Broker)	\$	780.00	
IRW Law Office (Seller's Costs and Expenses)	\$	1,212.00	
Total:	\$	4,272.00	

Signature Buyers:

Signature Sellers:



SETTLEMENT STATEMENT

Statement Date:
January 12, 2023

CLIENT(S):			
Seller: Mark A. Kornfeld, as receiver of Kinetic Investment Group, LLC		Purchaser: Allan Rothstein	
		Property Location: Villa Gabriela Parking 19 Cochera Old San Juan, PR	
A. SUMMARY TRANSACTION:			
PURCHASE PRICE	\$	100,000.00	
DEPOSIT	\$	3,000.00	
CLOSING DATE PAYMENT:	\$	97,000.00	
B. SELLER'S COST AND EXPENSES:			
Benjamin Rivera Iglesias Lic. C-18918	\$	1,500.00	
Bouret Real Estate L-16493	\$	1,560.00	
Notarial Fees	\$	1,000.00	
Stamps for Original Deed	\$	112.00	
Department of Treasury Filing (SURI)	\$	100.00	
TOTAL COSTS:	\$	4,272.00	
C. PURCHASER'S COST AND EXPENSES:			
Stamps for Certified Deed	\$	56.00	
Registry Vouchers	\$	365.00	
Certified Copy (1)	\$	100.00	
Registry Filing Fee (1)	\$	125.00	
CRIM Filings (1)	\$	100.00	
Act 7 Certification	\$	50.00	
Estudio de Titulo	\$	120.00	
Karibe Fee (1)	\$	10.00	
Document Preparation (Closing Agent Fee)	\$	250.00	
TOTAL COSTS:	\$	1,176.00	
PURCHASER'S CLOSING DISBURSEMENTS	\$	98,176.00	
HOA COCHERA SF: Outstanding Balance		\$	1,305.23
D. ITEMIZATION OF PURCHASER'S DISBURSEMENTS:			
Mark A. Kornfeld, as receiver Kinetic Investment Group, LLC	\$	95,694.77	\$97,000 less \$1,305.23
IRW Law Office (Purchaser's Costs and Expenses)	\$	1,176.00	
Total:	\$	96,870.77	
E. ITEMIZATION OF SELLER'S DISBURSEMENTS:			
Benjamin Rivera Iglesias (Broker)	\$	1,500.00	
Coral Bouret Borges (Broker)	\$	780.00	
Diana Caballero (Broker)	\$	780.00	
IRW Law Office (Seller's Costs and Expenses)	\$	1,212.00	
Total:	\$	4,272.00	

Signature Buyers:

Signature Sellers:



SETTLEMENT STATEMENT

Statement Date:
January 12, 2023

CLIENT(S):			
Seller: Mark A. Kornfeld, as receiver of Kinetic Investment Group, LLC		Purchaser: Allan Rothstein	Property Location: Villa Gabriela Apt. PH-A Old San Juan, PR
A. SUMMARY TRANSACTION:			
PURCHASE PRICE	\$	765,000.00	
DEPOSIT	\$	22,950.00	
CLOSING DATE PAYMENT:	\$	742,050.00	
B. SELLER'S COST AND EXPENSES:			
Benjamin Rivera Iglesias Lic. C-18918	\$	11,475.00	
Bouret Real Estate Lic. L-16493	\$	11,934.00	
Notarial Fees	\$	7,650.00	
Stamps for Original Deed	\$	847.00	
Department of Treasury Filing (SURI)	\$	100.00	
TOTAL COSTS:	\$	32,006.00	
C. PURCHASER'S COST AND EXPENSES:			
Stamps for Certified Deed	\$	424.00	
Registry Vouchers	\$	3,025.50	
Certified Copy (1)	\$	100.00	
Registry Filing Fee (1)	\$	125.00	
CRIM Filings (1)	\$	100.00	
Act 7 Certification	\$	50.00	
Estudio de Titulo	\$	120.00	
Karibe Fee (1)	\$	10.00	
Document Preparation (Closing Agent Fee)	\$	250.00	
TOTAL COSTS:	\$	4,204.50	
PURCHASER'S CLOSING DISBURSEMENTS	\$	746,254.50	
CRIM PRORATE: Outstanding Balance	\$	1,868.82	Debt July 1st-Dec 31st, 2022: \$1,774.38 (Amount owed by Seller) Debt: Jan 1st-June 30th, 2023: \$1,418.21; \$578.79/180 days = \$7.87 per day. Amount owed by Seller for 2023: \$94.44
HOA VILLA GABRIELA: Outstanding Balance	\$	2,588.09	
D. ITEMIZATION OF PURCHASER'S DISBURSEMENTS:			
Mark A. Kornfeld, as receiver Kinetic Investment Group, LLC	\$	737,593.09	\$742,050.00 less \$1,868.82 less \$2,588.09
IRW Law Office (Purchaser's Costs and Expenses)	\$	4,204.50	
Total:	\$	741,797.59	
E. ITEMIZATION OF SELLER'S DISBURSEMENTS:			
Benjamin Rivera Iglesias (Broker)	\$	11,475.00	
Coral Bouret Borges (Broker)	\$	5,967.00	
Diana Caballero (Broker)	\$	5,967.00	
IRW Law Office (Seller's Costs and Expenses)	\$	8,597.00	
Total:	\$	32,006.00	

Signature Buyers:

Signature Sellers:



SETTLEMENT STATEMENT

Statement Date:
January 12, 2023

CLIENT(S):			
Seller: Mark A. Kornfeld, as receiver of Kinetic Investment Group, LLC		Purchaser: Allan Rothstein	
		Property Location: Villa Gabriela Apt. PH-B Old San Juan, PR	
A. SUMMARY TRANSACTION:			
PURCHASE PRICE	\$	475,000.00	
DEPOSIT	\$	14,250.00	
CLOSING DATE PAYMENT:	\$	460,750.00	
B. SELLER'S COST AND EXPENSES:			
Benjamin Rivera Iglesias Lic. C-18918	\$	7,125.00	
Bouret Real Estate Lic. 16493	\$	7,410.00	
Notarial Fees	\$	4,750.00	
Stamps for Original Deed	\$	527.00	
Department of Treasury Filing (SURI)	\$	100.00	
TOTAL COSTS:	\$	19,912.00	
C. PURCHASER'S COST AND EXPENSES:			
Stamps for Certified Deed	\$	264.00	
Registry Vouchers	\$	1,865.50	
Certified Copy (1)	\$	100.00	
Registry Filing Fee (1)	\$	125.00	
CRIM Filings (1)	\$	100.00	
Act 7 Certification	\$	50.00	
Estudio de Titulo	\$	120.00	
Karibe Fee (1)	\$	10.00	
Document Preparation (Closing Agent Fee)	\$	250.00	
TOTAL COSTS:	\$	2,884.50	
PURCHASER'S CLOSING DISBURSEMENTS	\$	463,634.50	
			Debt July 1st-Dec 31st, 2022: \$1,200.82 (Amount owed by Seller)
			Debt: Jan 1st-June 30th, 2023: \$959.78; \$578.79/180 days = \$5.33 per day.
CRIM PRORATE: Outstanding Balance	\$	1,264.80	Amount owed by Seller for 2023: \$63.98
HOA VILLA GABRIELA: Outstanding Balance		\$	2,588.09
D. ITEMIZATION OF PURCHASER'S DISBURSEMENTS:			
Mark A. Kornfeld, as receiver Kinetic Investment Group, LLC	\$	456,897.11	\$460,750 less \$1,264.80 less \$22,588.09
IRW Law Office (Purchaser's Costs and Expenses)	\$	2,884.50	
Total:	\$	459,781.61	
E. ITEMIZATION OF SELLER'S DISBURSEMENTS:			
Benjamin Rivera Iglesias (Broker)	\$	7,125.00	
Coral Bouret Borges (Broker)	\$	3,705.00	
Diana Caballero (Broker)	\$	3,705.00	
IRW Law Office (Seller's Costs and Expenses)	\$	5,377.00	
Total:	\$	19,912.00	

Signature Buyers:

Signature Sellers:

 Servis 1st Bank®P.O. Box 1508
Birmingham, AL 35201
866-317-0810Date 1/31/23
Primary Acct.
EnclosuresPage 1
XXXXXXXXXXXX3708MARK A KORNFELD RCVR FOR ESTATE OF
KINETIC FUNDS I LLC
401 E JACKSON ST SUITE 2400
TAMPA FL 33602

CHECKING ACCOUNTS

COMMERCIAL MM ACCT		Number of Enclosures	0
Account Number	XXXXXXXXXXXX3708	Statement Dates	1/01/23 thru 1/31/23
Previous Balance	6,123,161.86	Days in the Statement Period	31
1 Deposits/Credits	1,606,053.00	Average Ledger	6,796,667.95
Checks/Debits	.00	Average Collected	6,796,667.95
Service Charge	.00		
Interest Paid	14,445.23		
Current Balance	7,743,660.09	2023 Interest Paid	14,445.23

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
1/19	Incoming Wire 62967141 BENJAMI N A RIVERA-DBA BENJAMIN RIVE	1,606,053.00
1/31	INTEREST DEPOSIT	14,445.23

DAILY BALANCES

Date	Balance	Date	Balance	Date	Balance
1/01	6,123,161.86	1/19	7,729,214.86	1/31	7,743,660.09

INTEREST RATE SUMMARY

Date	Rate
12/31	2.500000%

EXHIBIT 4

\$ 1,606,068.20