

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**BRENDA SMITH, BROAD REACH
CAPITAL, LP, BROAD REACH
PARTNERS, LLC, and BRISTOL
ADVISORS, LLC,**

Defendants.

C. A. No. 2:19-cv-17213 (MCA)

Return Date: March 15, 2021

**NOTICE OF MOTION OF RECEIVER, KEVIN D. KENT, ESQUIRE, FOR
APPROVAL OF SECOND INTERIM FEE APPLICATION FOR THE
PERIOD OCTOBER 1, 2020 THROUGH DECEMBER 31, 2020**

PLEASE TAKE NOTICE that the undersigned, on behalf of the Receiver, Kevin D. Kent, Esq. will move before the Honorable Madeline Cox Arleo, U.S.D.J., United States District Court for the District of New Jersey, Martin Luther King Jr. Federal Building and U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07101, on March 15, 2021, or as soon thereafter as the Court permits, at a date and time to be determined by the Court, for Approval of the Receiver's Second Interim Fee Application for the Period October 1, 2020 through December 31, 2020.

PLEASE TAKE FURTHER NOTICE THAT, in support of this Motion, the undersigned will rely upon the accompanying Interim Fee Application with exhibits attached thereto, which incorporates and is in lieu of a more formal brief, and which is incorporated herein by reference.

PLEASE TAKE FURTHER NOTICE that the undersigned requests that the proposed form of Order submitted herewith be entered by the Court.

Respectfully submitted,

Dated: 2/12/2021

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Return Date: March 15, 2021

**RECEIVER, KEVIN D. KENT'S SECOND INTERIM FEE APPLICATION,
FOR THE PERIOD OCTOBER 1, 2020 THROUGH DECEMBER 31, 2020**

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Dated: 2/12/2021

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Pursuant to the Court’s Order Appointing Receiver dated June 29, 2020, Kevin D. Kent, Esq., Receiver, hereby submits this Second Interim Fee Application for the Period October 1, 2020 through December 31, 2020, and moves for approval of payment of fees and expenses invoiced by the Receiver, counsel for the Receiver, Conrad O’Brien PC, and the Court-appointed accountant to the Receiver, Alvarez & Marsal Disputes and Investigations, LLC (“the Application”). During this quarter, the Receiver and his Counsel have focused their efforts on locating, marshaling, and preserving Receivership Assets; selling and liquidating Receivership Assets and taking actions necessary to prepare for and/or effectuate such sales; continuing document review and investigation; and beginning to investigate potential claims against third parties. Throughout this quarter, the Receiver’s Accountants have focused their efforts on reviewing bank records from various financial institutions, spanning multiple years and in excess of twenty (20) accounts and/or sub-accounts; performing extensive account reconstruction; conducting forensic analysis of frozen accounts; identifying flows of funds for investors and other individuals, for the purpose of assisting the Receiver in his efforts to identify potential net winner investors and fraudulent transfer recipients warranting further investigation; and creating a document repository to host and allow for efficient review and organization of substantial amounts of data from various sources. In support of the Application, the Receiver states as follows.

I. BACKGROUND

On August 27, 2019, the Securities and Exchange Commission (“SEC”) filed a Complaint against Defendants, Brenda A. Smith (“Brenda Smith” or “Smith”), Broad Reach Capital, LP, Broad Reach Partners, LLC and Bristol Advisors, LLC, alleging that these Defendants raised approximately \$105 million from at least forty (40) investors, based upon Brenda Smith’s false representations that these funds would be invested in highly liquid securities through various sophisticated and profitable trading strategies with consistently high returns. (Dkt. No. 1). According to the Complaint, in reality, the vast majority of these investments were funneled into unrelated companies, used to pay back other investors, or utilized for personal use; meanwhile, Defendants generated and provided false performance statements and fabricated documents regarding the Fund’s assets and valuations, to lull and deceive existing and prospective investors. The SEC estimates that Defendants’ investors are still owed in excess of \$63 million in principal.

In conjunction with the filing of the Complaint, the SEC secured a Temporary Restraining Order Freezing Assets and Granting Other Relief on August 27, 2019. (Dkt. No. 3). A Preliminary Injunction extending the freeze was subsequently entered on September 10, 2019. (Dkt. No. 7). The asset freeze

remains in effect, and has been modified and/or extended by this Court's June 29, 2020 Order Appointing Receiver ("Receivership Order"). (Dkt. No. 22).

Pursuant to the June 29, 2020 Receivership Order, this Court took exclusive jurisdiction and possession of all Receivership Assets including, but not limited to, assets of Broad Reach Capital, LP; Broad Reach Partners, LLC; Bristol Advisors, LLC; BA Smith & Associates LLC; Bristol Advisors LP; CV Brokerage, Inc.; Clearview Distribution Services LLC; CV International Investments Limited; CV International Investments PLC; CV Investments LLC; CV Lending LLC; CV Minerals LLC; BD of Louisiana, LLC; TA1, LLC; FFCC Ventures LLC; Prico Market LLC; GovAdv Funding LLC; Elm Street Investors LLC; Investment Consulting LLC; and Tempo Resources LLC (collectively referred to as "Receivership Parties"). Receivership Order, ¶ 1. This includes assets that are (1) attributable to assets derived from investors or clients of Defendants; (2) are held in constructive trust for the Defendants; (3) were fraudulently transferred by the Defendants; and/or (4) may otherwise be included as assets of the estates of the Defendants or Affiliated Entities, including *inter alia*, the assets and accounts set forth in Paragraphs 2 and 3 of the Receivership Order (hereinafter collectively referred to as "Receivership Assets" or "Receivership Estate"). In the same Order, the Court appointed Kevin D. Kent, Esq., of Conrad O'Brien PC as Receiver to

assume control of, marshal, pursue and preserve the Receivership Assets.

Receivership Order, ¶ 5.

The June 29, 2020 Receivership Order also authorizes the Receiver to retain the law firm of Conrad O’Brien PC (“Conrad O’Brien”, “Law Firm” or “Counsel”) and Alvarez & Marsal Disputes and Investigations, LLC (“Alvarez” or “Accountant”) as his counsel and accountant, respectively (collectively “Retained Personnel”), in connection with his appointment. Receivership Order, ¶ 71. The Receivership Order further provides that, subject to the Court’s approval, the Receiver and his Retained Personnel are entitled to reasonable compensation and expense reimbursement from the Receivership Estate. Receivership Order, ¶ 72.

The Court-approved fee schedules, which provide substantial discounts from the standard rates of the Law Firm and the Accountant, and which hourly fee rates the Court has already found to be reasonable, are as follows:

<u>Receiver</u>	
Name	Rate
Kevin D. Kent	\$510.00

<u>The Law Firm</u>	
Name/Position	Rate
Andrew Gallinaro, Partner	\$365.00
Associate	\$240.00 - \$330.00
Paraprofessional	\$165.00

The Accountant

Name/Position	Rate
Michael Shanahan, Managing Director	\$550.00
Managing Director/Senior Director	\$550.00 - \$725.00
Directors/Managers	\$425.00 - \$525.00
Sr. Associates/Associates	\$275.00 - \$375.00

Receivership Order, ¶¶ 79-83.

Pursuant to the Receivership Order and the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission (“Billing Instructions”), the Receiver, Counsel and the Accountant are to be paid their reasonable fees and expenses out of the Receivership Estate. Upon Order of this Court approving such Application, the Receiver may pay up to eighty percent (80%) of the compensation/professional fees and expenses of the applicants.¹

Receivership Order, ¶¶ 75, 81, 84.

The Receiver previously submitted this Application to the SEC, in accordance with the Billing Instructions and Paragraph 73 of the Receivership Order. The SEC has advised the Receiver that it does not have any objection to the Application.

¹ At the close of the Receivership, the Receiver will file a final fee application for reasonable compensation and expense reimbursement, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the course of the Receivership. Although Interim Fee Applications are subject to a holdback in the amount of twenty percent (20%) of the amount of fees and expenses for each application filed, “[t]he total amounts held back during the course of the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.” Receivership Order, ¶¶ 74-75.

This is the second interim application for approval of fees and expenses of the Receiver and his Retained Professionals. The Receiver's First Interim Fee Application for the period June 29, 2020 through September 30, 2020 was filed on November 13, 2020. (Dkt. No. 43). That Application sought (a) payment to the Law Firm in the amount of \$137,408.64 for services performed through September 30, 2020, representing eighty percent (80%) of the Law Firm's total fee of \$171,760.80; (b) payment to the Accountant in the amount of \$34,862.00 for services performed through September 30, 2020, representing eighty percent (80%) of the Accountant's total fee of \$43,577.50; and (c) payment to the Law Firm in the amount of \$9,947.40 for expenses incurred through September 30, 2020, representing eighty percent (80%) of the Firm's total expenses of \$12,434.25. The Motion to Approve the Receiver's First Interim Fee Application has not yet been ruled upon as of the date of this filing; therefore, the Receiver, Law Firm and Accountants have not yet received any payment for their work or reimbursement of expenses incurred in connection with this matter.

II. CASE STATUS

A. Cash on Hand, Administrative Expenses, and Unencumbered Funds

Through the close of the quarter, the Receiver consolidated Receivership Assets from bank accounts held with Industrial and Commercial Bank of China Financial Services (ICBCFS), PNC, Citizens Bank, and B1 Bank, as well as the

proceeds from the sales of two stock holdings—36,000 of Prico Market LLC’s shares in Palantir Technologies (“Palantir”) and CV Brokerage’s shares in Tremor International Ltd. (“Tremor”)—into a central Receivership Account (“Receivership Account”). Additionally, Spouting Rock Holdings, LLC (“Spouting Rock”) made a partial payment on its obligations owed pursuant to a secured promissory note at the end of the quarter, which was paid via wire to the Receivership Account. As of the close of business on December 31, 2020, the balance of the Receivership Account was \$1,397,707.24. After the close of the quarter, the Receiver received additional funds from PNC, as well as additional payments on the remaining balance on the note from Spouting Rock. As of the date of this filing, the balance in the Receivership Account is \$3,311,294.71.

Additional potential assets include in excess of \$700,000.00 of contested funds in frozen accounts for which forensic review is continuing. The Receiver also believes that additional funds may be held with other banks, most of which are overseas, and the Receiver will take steps to repatriate those funds where practical. The Receiver continues his investigation and collection efforts in this regard, which may ultimately require the retention of local counsel for the purpose of domesticating the Receivership Order in other countries. Any such action, however, would be subject to a cost-benefit analysis with regard to the estimated value of anticipated assets and the projected costs involved in securing same.

The Receiver hopes that there will be significant increases in the cash available in the coming months through the sale of Receivership property and additional stock holdings, which remain among the Receiver's top priorities. This Application is made while the Receiver is in the process of attempting to liquidate numerous assets, including additional Receivership holdings in publicly traded securities, Louisiana real estate owned by Smith and BD of Louisiana ("Louisiana Properties"), Smith's vehicle, and personal property at Smith's Rittenhouse Apartment. The sale of stock holdings was previously approved by this Court by Order dated September 28, 2020, (Dkt. No. 39), and the Receiver has filed Motions seeking authority to sell, or begin the process of selling, the remaining assets.

The Receiver, through Receivership Party Prico Market LLC, still holds an additional 144,000 shares in Palantir Technologies (PLTR), which are expected to be freed up this month. The Receiver intends to liquidate these shares at the expiration of the lock-up period.²

While the value of these shares depends upon market conditions and therefore fluctuates over time, the remaining Palantir shares are currently valued at

² Additionally, after the CEO of Greenbriar Capital Corp. confirmed that CV Brokerage continues to hold 50,000 shares in Greenbriar Capital Corp., and advised that the Receiver is free to sell the shares on the public market, and after obtaining approval from this Court to sell Receivership stock holdings, the Receiver spent a substantial amount of time working with Raymond James gathering the necessary paperwork to effectuate the sale of these shares on the TSX Venture Exchange, in accordance with applicable securities laws and regulations and the restrictive legend on the share certificate. A potential issue has now arisen in connection with the attempted sale of these shares, which may require the Receiver to return to this Court for relief if the situation cannot be resolved without court intervention.

over \$3 million, based on the share price as of the date of this filing. These numbers, however, are subject to changing market conditions, and the value of the Receiver's holding may be substantially different when the lock-up period expires.

Based upon information currently available, the Receiver believes that the sale of the Louisiana property will result in a significant return to the Receivership Estate. Additionally, based upon the condition of Smith's vehicle and its low mileage, the Receiver is hopeful that its sale will generate at least \$20,000.00 for the Receivership Estate. While Smith's belongings in her Rittenhouse Apartment are not likely to generate significant cash, they serve no benefit to the Receivership Estate currently, and will require the payment of storage fees if they are not soon sold.

The Receivership has incurred total administrative expenses of \$7,494.10 from the Receivership Account through the quarter ending December 31, 2020.³ Administrative expenditures include (a) payment of \$750.00 to Title Management Group, Inc. for title abstracts of the Louisiana Properties during the first quarter; (b) payment of \$4,452.16 to the Tangipahoa Sheriff's Office for redemption of the Louisiana Properties which were sold at a tax sale for failure to pay property taxes in 2019; (c) payment of \$500.00 to private investigator Michael Mancuso of

³ This is not a reflection of the Law Firm expenses for which the Receiver is seeking reimbursement in this application; rather, these are the administrative expenses directly withdrawn from the Receivership Account in connection with the maintenance of assets.

Searching for the Truth Investigations, for assistance with locating Smith's vehicle; and (d) payment of \$1,791.94 to the Tangipahoa Sheriff's Office for 2020 property taxes on the Louisiana Properties. Administrative expenses incurred after the close of the quarter will be discussed in the Receiver's next quarterly status report.

For further detail, the Receiver has attached the SEC's Standardized Fund Accounting Report ("SFAR") as Exhibit "A" to this Application. The SFAR does not include receipts and disbursements since the end of this quarter, including, *inter alia*, the deposit of an additional \$20,811.60 from PNC on January 19, 2021, and additional payments from Spouting Rock on January 22, 2021 and January 29, 2021, totaling \$1,899,634.00. Rather, post-quarter receipts and disbursements from the Receivership Account will be reflected in the Receiver's next interim fee application and accompanying SFAR.

B. Administration of Case to Date

On May 19, 2020, the SEC filed a Motion to Appoint Receiver in this matter. During the time that the motion was pending, the Receiver and his team took steps to prepare for the appointment, including, *inter alia*, reviewing litigation-related materials in lawsuits brought against Receivership Parties, beginning preliminary investigations into potential Receivership Assets, and preparing for notices of receivership to be filed in all federal jurisdictions within ten (10) days of the appointment. The Receiver and the Law Firm have not applied

for compensation for such pre-appointment activity, but ask the Court to take these activities into account in evaluating this second application for post-appointment fees and expenses, as well as the Receiver's pending first fee petition.

During the first six (6) months of the Receivership, the Receiver, his Counsel and Accountants have focused a majority of their efforts on identifying, locating, and assuming control of, Receivership Assets, with the objective of preserving these assets and maximizing recovery for defrauded investors. The Receiver is generally of the position that all real and personal property of value belonging to the Receivership Estate should be monetized and/or liquidated, to the extent feasible, and has sought necessary authority from the Court in connection with these liquidation efforts.⁴

1. General Legal Matters

As outlined in the Receiver's First Interim Fee Application, following his appointment, the Receiver promptly filed Notices pursuant to 28 U.S.C. § 754 in every other District Court in the United States, as well as IRS Form 56's for the Receivership Parties (Dkt. No. 43).

⁴ See, e.g., Receiver's Motion to Retain a Wealth Management Firm and for Discretion to Liquidate Receivership Holdings in Publicly Traded Securities (Dkt. No. 36); Receiver's Motion for Appointment of Real Property Appraisers and Approval to Retain Realtor (Dkt. No. 45); and Receiver's Motion for Permission to Sell Brenda Smith's Vehicle and Personal Property at Smith's Rittenhouse Apartment (Dkt. No. 47).

2. Visits to Rittenhouse Apartment, Four Falls Office Space, and Collection of Belongings, Professional Equipment and Data

Counsel for the Receiver, with the assistance of administrative staff, promptly made arrangements to visit Brenda Smith's Rittenhouse Apartment and the Four Falls office space in Conshohocken within two (2) weeks of the entry of Receivership Order. During these visits, in addition to taking inventory of the personal belongings, furnishings, and equipment at both locations, Counsel secured numerous important documents from both properties, thumb drives from Smith's apartment, a share certificate in Greenbriar Capital Corp., held by CV Brokerage, and the title and keys for Smith's vehicle. The Four Falls office space has been vacated, with administrative staff assisting with the disposition of property contained therein. Administrative staff likewise coordinated the removal and storage of all of Smith's belongings from the Rittenhouse Apartment, at the behest of the landlord.

Administrative staff has been working with an auction company to arrange for the sale of the majority of items from the Rittenhouse Apartment, including furniture, jewelry, clothing, memorabilia and other miscellaneous items. Additionally, administrative staff is in the process of making arrangements for someone to retrieve certain sentimental personal items without significant resale value on behalf of Brenda Smith. After the close of the quarter, the Receiver filed a Motion on January 8, 2021 seeking approval to sell personal property contained in

Smith's Apartment, as well as Smith's vehicle, which has not yet been ruled upon. (Dkt. No. 47).

Additionally, IT staff from Conrad O'Brien personally retrieved server equipment from an Equinix data center in New Jersey. In addition to potentially significant monetary value, it is believed that this server equipment contains valuable information relevant to the operation of Smith's businesses and the potential location of assets. In the interest of reducing e-discovery costs to the Receivership, arrangements were made for the SEC to process the data contained on the server equipment and to make it available to the Receiver, and the servers were transferred to the SEC for this purpose.⁵ After the processing of server data is complete and the equipment is no longer needed, the Receiver may seek permission from the Court to sell the equipment for the benefit of the Receivership Estate, if feasible.

Additionally, the Receiver secured substantial electronic data from a cloud-based storage account maintained by various Receivership Parties, which, along with other documents secured and/or received by the Receiver, has been downloaded and preserved by an e-discovery vendor which provides in-house services to the Receiver's court-approved forensic accountant, Alvarez & Marsal.

⁵ As of the date of this filing, processing is not yet complete, so the Receiver does not yet have access to this data.

This vendor provided the most competitive estimate for data processing and hosting, by far. Alvarez & Marsal's Forensic Technology team has been coordinating and managing these efforts, including processing, importing, organizing and conducting quality control analysis and review for substantial amounts of data and documents from various sources.

3. Document Review and Investigation

The documents retrieved from Smith's apartment and Four Falls office space, both in paper and on flash drive, as well documents and information secured by the Receiver from the SEC and/or third parties, have proven to be valuable sources of information with regard to the potential whereabouts of Receivership Assets, primarily through the identification of individuals and/or entities who either appear to have been recipients of Receivership Assets, who have had dealings with Smith and/or the Receivership Parties, or who may otherwise possess valuable information in this regard. With the assistance of the Accountant and his Counsel, and through extensive file review of available records and documentation, the Receiver has thus far identified nearly two hundred fifty (250) non-Receivership individuals and/or entities which may possess Receivership Assets and/or valuable information regarding Receivership Assets, including, *inter alia*, other entities in which Brenda Smith may possess some degree of ownership and/or control, individuals and/or entities with whom Brenda Smith and/or the

Receivership Entities have done business, former attorneys for the Receivership Entities and/or Smith, recipients of substantial funds from Receivership bank accounts, and banks and other financial institutions holding, or appearing to hold, Receivership Assets and/or accounts in the name of Receivership Entities.

In addition to the Receivership Parties and certain governmental authorities, the Receiver sent notice of the Receivership and asset freeze to all such individuals and/or entities identified through investigation and file review for which contact information could be found, with commensurate document and/or asset turnover demands. All known parties currently in possession of Receivership Assets were advised not to liquidate, sell, convey, or otherwise transfer any Receivership Assets, except upon instructions from the Receiver. They have likewise been instructed not to exercise any form of set-off, alleged set-off, lien, or any other form of self-help, or to refuse to transfer funds or assets to the Receiver's control.

As a result of these Notices, the Receiver, through his Counsel and/or Paraprofessionals, where appropriate, has conducted interviews and/or exchanged communications with many individuals and/or entities served with the Receivership Order, directly or through their counsel, many of whom have turned over additional documents for review. The data from these sources is still being processed and will require review, when available. It is anticipated that with additional document review and investigation, individuals and/or entities believed

to possess either valuable information and/or Receivership Assets will continue to be identified and served with the Receivership Order and document and/or turnover requests, where appropriate, on a rolling basis.

Of note, the Receiver has determined that data captured from the servers recovered from the Equifax data center, along with the data stored on the aforementioned cloud-based storage account, may contain privileged communications between Brenda Smith and her counsel. Accordingly, the Receiver proposed certain measures to protect any personal privileges maintained by Brenda Smith in connection with communications she has had with attorneys who represented her in her personal capacity. In response, Ms. Smith advised that she objected to the Receiver having access to *any* electronic information maintained by *any* of her business on the basis that it is likely to contain confidential financial information. Accordingly, just after the close of the quarter, the Receiver was compelled to file a Motion to Approve his Proposed Protocol for Review of Electronic Data on January 4, 2021. (Dkt. No. 46). This may result in further delay in reviewing the electronic data secured by the Receiver, while he awaits an Order from the Court in this regard.

Additionally, the Receiver has requested to have a meeting/interview with Brenda Smith, and has communicated with the Essex County Correctional Facility, which is willing to assist in making arrangements for the meeting. However, Smith

has advised through her sister, Linda Smith—who is an attorney—that she is not willing to participate in such an interview if it will be recorded, referenced, or in any way used or provided in connection with her criminal case or the government’s civil case against her. Counsel advised that the Receiver cannot guarantee that information obtained during the interview will not be shared with third parties. The Receiver has asked for clarification from Linda Smith as to whether Smith is claiming to invoke a Fifth Amendment right in connection with the Receiver’s request for cooperation under the June 29, 2020 Order, and, if she is entirely unwilling to participate, to state the basis for her refusal. The Receiver has yet to receive a response to this inquiry.

4. Receivership Bank Account Opening and Collection of Funds and Documentation from Banks

Pursuant to the Receivership Order, the business manager at Conrad O’Brien arranged for the opening of the centralized Receivership Account with Bank of America, where Receivership Assets could be deposited. At the beginning of this quarter, the balance in the account was \$808,872.10.⁶ With the assistance of his Accountants, the Receiver discovered an additional bank account held by BD of Louisiana LLC with B1 Bank, resulting in the transfer of an additional \$3,540.93 on December 7, 2020. Additional deposits during this quarter include \$337,605.43

⁶ Deposits into the Receivership Account during the first quarter are discussed in the Receiver’s First Interim Fee Application. (Dkt. No. 43).

and \$4,432.88 from the sales of certain Receivership stock holdings on October 21, 2020 and December 30, 2020, respectively, as well as a \$250,000.00 partial payment from Spouting Rock on its secured promissory note on December 31, 2020, as discussed in further detail below. The balance of the Receivership Account at the close of the quarter on December 31, 2020 was \$1,397,707.24.

After the close of the quarter, an additional check received from PNC in the amount of \$20,811.60 was deposited on January 19, 2021. Additionally, Spouting Rock made an additional payment on the secured promissory note in the amount of \$600,000.00 on January 22, 2021, and final payment on the note in the amount of \$1,299,634.00 on January 29, 2021. As of the date of this filing, the balance in the Receivership Account is \$3,311,294.71.

Counsel has already received productions from PNC Bank, ICBCFS, Citizens Bank and B1 Bank.⁷ The Receiver also recently propounded numerous follow-up requests to banks that have not responded to his initial document requests, as well as additional requests based upon his Accountant's investigation and identification of additional accounts potentially holding Receivership Assets.

⁷ As discussed in the Receiver's First Interim Fee Application, during the first quarter, Counsel involvement was required in connection with a dispute that arose with ICBCFS with regard to accounts holding clearing funds for CV Brokerage in the amount of \$444,213.08, to which ICBCFS claims a security interest. This was temporarily resolved by Stipulation. (Dkt. No. 30). Additionally, the Receiver entered into a Stipulated Protective Order with ICBCFS in order to secure the production of certain documents which ICBCFS deemed confidential. (Dkt. No. 32).

He is hopeful that additional productions will be forthcoming in the near future, but will file appropriate motions to enforce if necessary.

The Receiver's Accountants have conducted detailed forensic review and analysis of the available account statements and records thus far, which has been instrumental in allowing the Receiver and his Counsel to better understand the flow of funds in and out of bank accounts holding Receivership Assets, and has allowed for the identification of potential net winners and fraudulent transfer recipients. These efforts have been complicated by the large number of entities involved, and the significant amount and diverse kinds of transactions in which they engaged. Analysis and investigation is ongoing, and additional records recently received from PNC are currently in the process of review.

As outlined in the Receiver's First Interim Fee Application, the Receiver has received only minimal cooperation from overseas banks, including, *inter alia*, Cidel Bank & Trust, Inc. ("Cidel") and National Australia Bank. Barclays, which is headquartered in the United Kingdom but has a United States presence, has thus far been completely unresponsive to the Receiver despite numerous requests. Ultimately, retention of local counsel may be required to domesticate the Receivership Order and compel the turnover of funds, if it is determined that there are sufficient assets held in such overseas accounts to justify the cost of doing so.

5. Louisiana Properties

Through his investigation, with the assistance of Counsel and his paralegal, the Receiver discovered four (4) parcels of property located in Tangipahoa Parish, Louisiana, two of which are owned by Brenda Smith personally (“Smith Property”), and two of which are owned by BD of Louisiana, LLC (“BD of Louisiana Property”) (collectively, “Tangipahoa Properties” or “Louisiana Properties”). The Receiver’s paralegal performed extensive research regarding the properties through the Recorder of Deeds and the Clerk of Courts, attempting to locate and identify any claims, lawsuits, liens and other encumbrances potentially affecting these properties. The Receiver learned that the BD of Louisiana Property is encumbered by a mortgage with B1 Bank. Counsel for the Receiver has had numerous communications with counsel for the mortgaging bank, which has produced documents regarding the BD of Louisiana Property.

On July 6, 2020, the Receiver sent notice of the Receivership Order to the Recorder of Deeds of Tangipahoa Parish, and filed *lis pendens* notices with the Tangipahoa Parish Clerk of Courts for all four parcels on July 24, 2020. Through communications with, and documentation received from, Counsel for the mortgaging bank, as well as communications with the Tangipahoa Parish Sheriff’s Office, the Receiver learned that the Tangipahoa Properties were sold at a tax sale on June 30, 2020, for failure to pay taxes for the year 2019. Tax sales are subject to

a three-year redemption period, following which the tax purchaser can take possession of the property if redemption has not occurred.

Counsel for the Receiver arranged for redemption of the Tangipahoa Properties through payment of the delinquent taxes and associated penalties. Redemption deeds for all four (4) properties were recorded on October 23, 2020. The Receiver also made payment of 2020 property taxes for the Tangipahoa Properties, which were recorded as paid for all four parcels on December 8, 2020.

The Receiver believes that liquidating these properties is in the Receivership Estate's best interest and will result in a significant infusion of cash to the Receivership Estate. The Receiver has already selected a real estate agent, Godwyn & Stone Brokerage ("Godwyn & Stone"), which arranged for title abstracts to be performed in preparation for a possible sale. Additionally, with the assistance of administrative staff, the Receiver solicited quotes from various appraisers in the area, and selected three (3) appraisers whom he has recommended be appointed by the Court to perform appraisals of the Tangipahoa Properties.⁸

The Receiver wrote to Brenda Smith on August 20, 2020, advising of his intention to sell these properties and requesting that she advise of any objection to the sale of these properties. On August 26, 2020, Brenda Smith's sister, Linda Smith, confirmed in writing that she spoke with Brenda Smith regarding the

⁸ See the Receiver's Motion for Appointment of Real Property Appraisers and Approval to Retain Realtor (Dkt. No. 45).

Receiver's letter, and that Brenda Smith is not raising any objection to the sale of these properties.

On December 2, 2020, the Receiver filed a Motion for Appointment of Real Property Appraisers and Approval to Retain Realtor, seeking to initiate the process of selling the Tangipahoa Properties. (Dkt. No. 45). That Motion remains pending as of the date of this filing.

6. Smith's Vehicle

With the assistance of the private investigator, the Receiver located Smith's 2017 Infiniti, which, apparently unbeknownst to management, was removed from the garage in which it was parked by one of the parking lot attendants and stored at his personal home. With the assistance of administrative staff and a towing company, the Receiver has taken possession of the vehicle, the vehicle title, and the keys, and has made arrangements for temporary storage. It is the Receiver's intention to sell the vehicle, and Brenda Smith has advised that she does not object to its sale. On January 8, 2021, the Receiver filed a Motion seeking, *inter alia*, permission to sell the vehicle. (Dkt. No. 47). That Motion remains pending as of the date of this filing.

7. Communications with Creditors, Investors, Debtors and Claimants

Counsel for the Receiver, as well as paralegal staff, where appropriate, have had numerous communications with various creditors, investors, debtors and

claimants, largely through their counsel. Counsel has directed any known investors to complete the investor questionnaire on the Receivership website, and has also advised known and potential creditors of the creditor claim form on the website, which is located at <http://broadreachreceiver.com/index.html>. Counsel, with the assistance the Receiver's retained Accountant, is working to identify additional investors and creditors.

Counsel has communicated with numerous attorneys representing plaintiffs and/or co-defendants in related actions, particularly with regard to the stay and whether or not it should be lifted in connection with certain actions. The Receiver has not agreed to the lifting of the stay in any of these actions. After receiving such a request in connection with *Southern Minerals Group, LLC v. CV Investments LLC*, No. 2:20-cv-02643, pending in the Eastern District of Pennsylvania, the Receiver, through Counsel, filed a Notice of Stay on August 4, 2020, attaching a copy of this Court's June 29, 2020 Receivership Order.

The Receiver and his Counsel maintained regular contact with counsel for Spouting Rock with regard to the repayment of a \$1.5 million loan, plus interest, due and owing to Defendant, Broad Reach Capital, LP, which was the subject of the Interpleader Complaint filed by Spouting Rock in the United States District Court for the District of New Jersey. *See Spouting Rock Holdings, LLC v. Broad Reach Capital, LP, et al.*, Civ. No. 20-cv-02498. Spouting Rock made partial

payments of \$250,000 on December 31, 2020 and \$600,000 on January 22, 2021; and made final payment of the balance of the loan, plus interest, in the amount of \$1,299,634.00 on January 29, 2021.

The Receiver has also been in communication with individuals claiming entitlement to funds held in certain disputed frozen accounts, and the Accountants have been conducting forensic analyses for the purpose of evaluating these claims.

8. Brokerage Account Opening and Liquidation of Stock Holdings

The Receiver has identified several Receivership holdings in publicly traded securities. The Receiver continues his efforts to identify additional stock holdings belonging to the Receivership Parties and/or which belong to entities that should be added as Receivership Parties.

Most significantly, after sending numerous letters and notices to Palantir Technologies (“Palantir”) and Computershare, the Receiver located the stock holdings held by Prico Market LLC (“Prico”) – a Receivership Party – with Computershare. After learning of an imminent initial public offering (IPO) for Palantir, the Receiver filed an Emergency Motion to Retain a Wealth Management Firm and for Discretion to Liquidate Receivership Holdings in Publicly Traded Securities on September 25, 2020. (Dkt. No. 36). The Motion was granted on September 28, 2020, enabling the Receiver to retain Terry Fant, CFP and Eric Geedey, of Raymond James, for the purpose of opening a brokerage account to

hold Receivership stock holdings, providing financial guidance and advice to the Receiver with regard to the potential sale of Receivership stock holdings, and coordinating and assisting with the potential sale and/or liquidation of Receivership stock holdings. (Dkt. No. 39). The Order granted the Receiver discretion to sell Receivership holdings in publicly traded securities where he believes, based upon the advice and guidance of Raymond James, that doing so would maximize value for the Receivership Estate, and also authorizes the payment of reasonable commissions to Raymond James in connection with such sales.

Opening the brokerage account and securing the conversion and transfer of Prico's shares to the Receiver required the involvement of Counsel due to the complexity and unconventional nature of the transaction. Counsel for the Receiver had numerous communications with counsel for Palantir and Computershare, as well as Raymond James, in an effort to arrange for the transfer of Prico's freed-up shares to the Receiver. Through those efforts, 36,000 of Prico's shares in Palantir were transferred to the Raymond James brokerage account, and were promptly sold at \$9.4183 per share.⁹ After payment of a small commission to Raymond

⁹ Pursuant to the terms of Palantir's initial public offering, shareholders of Class A Common Stock in Palantir were permitted to sell up to twenty percent (20%) of their shares in connection with Palantir's direct listing on the New York Stock Exchange. The remaining eighty percent (80%) of Prico's shares remain locked-up with Computershare, but the lock-up expiration is quickly approaching. Once the lock-up has expired, the remaining 144,000 shares should be eligible to be transferred to the brokerage account with Raymond James for liquidation.

James in accordance with this Court's September 28, 2020 Order, at the rate of 4 cents per share and other associated fees, this resulted in an infusion of \$337,605.43 in cash into the Receivership Account on October 21, 2020.¹⁰

Counsel then worked with Raymond James to secure 932 shares in Tremor International Limited ("Tremor") belonging to CV Brokerage, which were held with ICBCFS. The shares were sold for under \$5.00 per share, resulting in a commission to Raymond James at the rate of 3 cents per share. Ultimately, the sale of these shares resulted in an infusion of \$4,432.88 to the Receivership Account on December 30, 2020.

The Receiver and his Counsel continue to work with Raymond James to attempt to sell CV Brokerage's 50,000 shares in Greenbriar Capital Corp. However, issues have arisen in connection with these shares and their attempted sale, and the Receiver may soon seek intervention from this Court if the issues cannot be resolved.

In addition to the above, Counsel has been in communication with counsel and the transfer agents for Lyft and Facebook, and is in the process of attempting to ascertain whether any Receivership Parties currently hold any stock interests in

¹⁰ There may be tax liabilities associated with the sale of Receivership holdings in publicly traded securities.

these companies and/or whether Receivership Assets in connection with such stock interests have been diverted to third parties.

9. Investigation of Potential Claims

The Receiver and his Counsel have identified numerous individuals and/or entities against whom potential third party claims exist. Active factual investigation and legal analysis is continuing in this regard, with the assistance of the Receiver's Accountants. After advising the SEC's counsel of his intentions and obtaining their approval, the Receiver filed his first Motion for Permission to Initiate Litigation on Behalf of the Receivership Estate on February 9, 2021. (Dkt. No. 49). The Receiver anticipates that additional motions for permission to initiate litigation may be filed in the future, if he uncovers and/or develops sufficient facts to substantiate the basis for such claims and determines, in consultation with the SEC, that their pursuit will be financially beneficial for the Receivership Estate.

10. Submission of Claim Under Fidelity Bond

Through their investigation and numerous document requests to various insurers and insurance brokers, the Receiver and his Counsel identified potentially applicable fidelity bonds issued to CV Brokerage, Inc. by American International Group, Inc. ("AIG") during the relevant time periods. The Receiver submitted claims under the fidelity bonds, but has not yet received a substantive response from AIG with regard to these claims; therefore, at this juncture, it is not yet

known whether AIG will accept or deny these claims. Once AIG sets forth its position, the Receiver can assess next steps and undertake a more comprehensive policy analysis, if warranted.

11. Anticipated Closure of Case

Given the ongoing nature of the Receiver's investigation, the Receiver does not have a projected date by which he expects the Receivership to close.

C. Summary of Creditor Claims Proceedings

In anticipation of numerous creditor claims against the Receivership Estate, the Receiver has created a creditor claim form to document all such claims being made against the Estate. The creditor claim form has been published on the Receiver's website, and the Receiver is in the process of notifying known and potential creditors to visit the site to complete claim forms.

The Receiver has been made aware of several claims against the Receivership Estate, which he is in the process of evaluating.¹¹ However, it is believed that there remain additional creditors about which the Receiver is not yet aware, and the Receiver continues his review of voluminous records and documents, and anticipates that additional fact investigation may lead to the identification of additional creditors.

¹¹ Information regarding the claims of known creditors is included in the Receiver's Second Quarterly Status Report.

As set forth above, the Receiver's primary focus, at this time, is locating and securing tangible Receivership Assets and engaging in activities that will be most likely to generate proceeds for the Receivership Estate. Because the Receiver is still in the process of securing material funds for the Receivership Account, the Receiver has deferred developing a claims determination and distribution process. There are, at present, insufficient funds available to pay claims. When appropriate, the Receiver will formulate a claims procedure for review and approval by the Court.

D. Receivership Assets

While the Receiver is continuing his investigation and efforts to uncover additional assets, confirmed Receivership Assets remain limited, in comparison to the vast liabilities the Receivership Entities face, including the more than \$63 million owed back to defrauded investors.

1. Receivership Bank Account

As set forth above, as of December 31, 2020, the balance of the Receivership bank account was \$1,397,707.24. As of the date of this filing, the balance of the account is currently \$3,311,294.71.

2. Stock Holdings

The Receiver confirmed the existence of the following Receivership stock holdings:

- 180,000 shares in Palantir Technologies held by PriCo Market, LLC. The Receiver sold 36,000 freed-up shares of Class A Common Stock in Palantir on the New York Stock Exchange during this quarter, resulting in an infusion of \$337,605.43 into the Receivership Estate. The remaining 144,000 shares are presently held with Computershare, where they will remain until the expiration of the lock-up period. Palantir (PLTR) is now trading on the New York Stock Exchange.
- 50,000 shares in Greenbriar Capital Corp, which is a Canadian company that trades on the Toronto Venture Exchange (GRB), and the United States OTC market (GEBRF). These shares are held by CV Brokerage. The Receiver has been working with Raymond James to attempt to sell these shares, but unexpected issues have arisen. The Receiver is attempting to resolve these issues, and may ultimately seek intervention from the Court if they cannot be resolved.
- 932 shares of Tremor Int Ltd (TRMR), which trades on the London Stock Exchange. The Receiver sold these shares during this quarter, with the assistance of Raymond James, resulting in an infusion of \$4,432.88 into the Receivership Estate.

The remaining Palantir shares are valued at in excess of \$3 million, based upon current market prices. These values are subject to change with fluctuations in the market.

As discussed above, the lock-up expiration for the remaining Palantir stock held with Computershare is quickly approaching. Once the lock-up period expires, the Receiver will seek to have those shares transferred to the brokerage account with Raymond James and liquidated. Based upon the advice and guidance of Raymond James, it is the Receiver's belief that, given the unpredictability of the stock market and the high value at which Palantir is currently trading on the New

York Stock Exchange, the liquidation of these shares will be in the best interest of the Receivership Estate.

The Receiver and his Counsel have confirmed, through communications with counsel for Lyft, Inc. that Prico Market LLC was a pre-IPO investor in Lyft. It appears that 25,000.00 shares were transferred at the expiration of the shares' lock-up period on August 19, 2019. Some shares may have remained with Prico as of that time, but it appears that most, if not all, of these stock holdings have been transferred to a third party. The Receiver has served the transfer agent, American Stock Transfer & Company, LLC ("AST") with notice of the Receivership Order, and is waiting for a response from their legal department to gain information and documentation regarding to whom the shares were sold and/or transferred, who received payment for that transfer, and any remaining shares that may be held by Prico. The Receiver will continue to investigate this situation and will take further necessary and appropriate action to recover any Receivership Assets that rightfully belong to the Receivership Estate. The Receiver is also continuing his investigation regarding other potential stock holdings, including, *inter alia*, Facebook, but does not yet have definitive information with regard to such holdings.

3. Spouting Rock Receivable

At the time of the filing of its Interpleader Complaint on March 6, 2020, Spouting Rock owed payment of principal and interest on a secured promissory

note, payable to Defendant, Broad Reach Capital, LP, in the amount of \$1,900,931.51, with interest continuing to accrue. As of January 29, 2021, Spouting Rock has paid to the Receivership the balance due under the note, a total of \$2,149,634.00.

4. Louisiana Properties

As discussed above, the Receiver has located four (4) parcels of land in Tangipahoa Parish, Louisiana, which make up two properties which are part of the Receivership Estate, as follows:

- **BD of Louisiana Property**
 - Assessment No. 3418405, Davis Road
 - Assessment No. 4104900, Adams Road
- **Smith Property**
 - Assessment No. 5615305, 17091 Highway 1064 East
 - Assessment No. 6157491

Both the BD of Louisiana Property and Smith Property consist of the two contiguous land parcels identified above. The BD of Louisiana Property appears to consist of undeveloped raw land, while the Smith Property appears to have a small home or similar structure as well as a registered mailing address.

The BD of Louisiana Property was purchased in or around 2008. A 2017 appraisal valued the property at in excess of \$1 million; however, the property will need to be valued by three court-appointed appraisers before it can be sold pursuant to 28 U.S.C. § 2001(b). The property is subject to a mortgage from B1 Bank, which had a maturity date of June 25, 2019 and continues to accrue interest.

The principal amount of the mortgage is approximately \$345,000.00, and accrued interest through December 2, 2020 was approximately \$35,000.00. It is the Receiver's understanding that the Smith Property is not subject to a mortgage; however, it appears that the Smith property is of significantly lower value than the BD of Louisiana Property.

As noted, the four parcels were sold at tax sales on June 30, 2020 for 2019 tax delinquencies. The Receiver redeemed these properties for a total payment of taxes and penalties in the amount of \$4,452.16. The Receiver likewise paid property taxes for 2020, which totaled \$1,791.94.

The Receiver believes that the sale of these properties has the potential to generate significant proceeds to benefit the Receivership Estate, and, as noted, Smith does not object to the sale of these properties. The Receiver is awaiting a decision from the Court on his Motion to approve the retention of Godwyn & Stone as real estate agent and appoint appraisers, so that the liquidation process can begin in accordance with the Receivership Order and applicable federal law.

5. Additional Bank Accounts and Funds

It is estimated that there is in excess of \$700,000.00 in frozen, contested accounts in the name of Awooton Consulting, Rybicki Capital Partners LLC and Taylor Trading LLC. Forensic analysis and investigation is ongoing to ascertain whether these funds rightfully belong to the Receivership Estate.

As discussed in the Receiver's First Interim Fee Application, ICBCFS holds two additional accounts that are purported to be clearing accounts for CV Brokerage, containing \$444,213.08, which funds have not been turned over to the Receiver, as ICBCFS is claiming that it has a perfected lien in connection with indemnification claims that exceed this balance. Pursuant to the Stipulation to Resolve ICBCFS' Motion to Amend the Amended Order Appointing Receiver, ICBCFS is entitled to maintain possession of the balance in these accounts until (i) the amount and priority of the ICBCFS Claim, (ii) the validity and priority of ICBCFS's lien on the Balance and (iii) ICBCFS's right to set off the Balance against the allowed ICBCFS Claim are determined by entry of a final order of the Court. ICBCFS is otherwise bound to comply with all other terms of the Receivership Order.

Cidel Bank in Barbados has confirmed that it holds under \$13,000.00 in Receivership Assets. However, thus far, the Receiver has been advised that he must retain local counsel in order to get the Receivership recognized and get access to these funds. The Receiver believes that additional funds may be held in other overseas banking institutions, but is getting minimal cooperation from banks outside the jurisdiction of the United States Courts. The Receiver is investigating and contemplating all reasonable and cost-effective options for gaining easier access to overseas funds.

In addition to the above, the Accountants have identified additional accounts that may potentially hold Receivership Assets. The Receiver has sent out supplemental production requests to the relevant account holders and/or financial institutions, and will advise of the existence and status of any additional accounts determined to hold Receivership Assets in subsequent filings, when appropriate.

6. Additional Business Entities

Based upon extensive documentation and data that has been collected by the Receiver from various sources, it is believed that Brenda Smith and/or the Receivership Entities may have an ownership interest in other overseas and/or domestic entities that are not currently part of the Receivership Estate. The Receiver has sent notice and a copy of the Receivership Order to all such potential entities for which an address could be located, and is continuing to investigate the existence, and value of, Brenda Smith's other potential ownership interests and/or other entities which should potentially be added as additional parties to the Receivership.

7. Vehicle

Brenda Smith's 2017 Infiniti QX70 has been located, with the assistance of the private investigator, and the Receiver has taken possession of the vehicle. Based upon its condition and low mileage, the Receiver believes, based upon his initial evaluation, that the vehicle is worth in excess of \$20,000.00, assuming it

does not require significant mechanical repair. The Receiver has filed a motion seeking, *inter alia*, permission to sell Smith's vehicle, which has not yet been decided. (Dkt. No. 47)

8. Magnetite

Based upon his investigation, the Receiver believes that Brenda Smith is no longer in possession of any magnetite concentrate. The Receiver believes that the magnetite owned by Smith has since been sold or disposed of by third parties. The Receiver is evaluating potential claims in connection with the disposition of this property, for which Smith paid substantial funds.

9. Personal Property

As noted in the Receiver's Initial Preservation Plan, it appears that, to the extent Smith maintained any personal property of significant value at her apartment –e.g. expensive jewelry, fine art, etc., it is likely that most of these items were removed from the property prior to the Receiver's appointment. An auction company has evaluated and is willing to auction off a majority of the items found in the apartment, including furniture, clothing, jewelry, rugs, and other miscellaneous items; however, with the exception of a few potentially valuable rugs, which may be separately sold, the sale of these items is unlikely to generate significant proceeds for the Receivership Estate. Nonetheless, since the property has been removed and placed into storage, and will soon result in the imposition of

storage fees, the Receiver believes it is in the best interest of the Receivership Estate to liquidate this property as quickly as possible, and has filed a Motion seeking approval to do so. (Dkt. No. 47). Before the property is sold, Smith will be given the opportunity to have someone retrieve personal and/or sentimental items without significant resale value. Administrative staff at Conrad O'Brien is coordinating and managing these efforts, without charge to the Receivership Estate.

10. Office Items

As outlined in the Receiver's First Interim Fee Application, the Four Falls Office space Brenda Smith utilized to run her various businesses contained basic office equipment which the Receiver determined provided no value to the Receivership after consulting with several auction / estate-sale companies with experience in second-hand office equipment. Accordingly, the Receiver agreed to abandon the office equipment to the landlord in exchange for a release agreement.

While there was little to no valuable computer equipment maintained in the Four Falls office space, the Receiver did recover potentially valuable offsite server equipment from a data center that hosted Brenda Smith's equipment.¹² As

¹² As previously noted, the following equipment was retrieved:

- Cisco ASA 5525-x, quantity 2
- Cisco 3750 PoE 48, quantity 1
- QNAP Storage Device, quantity 1
- Dell Server, ST 8MZTLM1

discussed above, the server equipment has been sent to the SEC for data extraction and retrieval. After necessary data has been transferred onto a secure data storage and hosting platform, and once the equipment is no longer needed, the Receiver may seek to attempt to sell the equipment, with court approval, if warranted and feasible.

11. Insurance

As set forth above, the Receiver has discovered fidelity bonds issued to CV Brokerage by AIG. These bonds provide limited coverage, with limits of liability of \$120,000.00 and a sizeable deductible. It is not yet known whether AIG will accept or attempt to deny the claims.

The Receiver will continue to investigate and pursue any other leads he receives with regard to other potentially applicable insurance coverage and/or fidelity bonds.

E. Liquidated and Unliquidated Claims

The Receiver's review of available records thus far indicates that the Receivership may hold claw-back claims against individuals and/or entities that

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- HP DL360 Gen9 S/N MXQ629093R
 - HP DL360 Gen9 S/N MXQ629092R
 - Cisco Nexus 3548P, quantity 2
 - QNAP Model TS-EC1280U-RP
 - Cisco UCS-FI-6332, quantity 2
 - Cisco UCS 5108 S/N FOX2023GE8F
 - Pure Storage Flash Array, quantity 1

received gifts, donations or other fraudulent transfers from Smith or the other Receivership Entities. The Receiver is analyzing whether there are potential claw-back claims against net winner investors. The Receiver also continues to investigate whether any potential causes of action may exist with regard to individuals and/or entities that possess, or possessed and sold certain Receivership Assets for their own pecuniary benefit, and/or which enabled or were complicit in the conduct alleged in the SEC Complaint.

On February 9, 2021, the Receiver filed a Motion for Permission to Initiate Litigation on Behalf of the Receivership Estate. (Dkt. No. 49). Those potential claims have already been heavily researched and investigated by the Receiver and his Counsel. The proposed defendants and factual basis for those claims are set forth in the Receiver's Motion. Active factual investigation and legal analysis is continuing, and the Receiver anticipates that he will identify additional parties against whom claims should be brought in the near future. When the Receiver determines, in consultation with the SEC, that the pursuit of any such claims will be financially beneficially for the Receivership Estate, he will seek appropriate court approval to proceed with litigation.

III. CURRENT AND PREVIOUS BILLINGS

The total fees incurred by the Receiver and the Law Firm for the period covered by this Application are \$101,076.50, and the total fees incurred by the

Accountant for the period covered by this Application are \$155,977.50. The total expenses incurred by the Receiver and the Law Firm for the period covered by this Application are \$441.58, and the total expenses incurred by the Accountant for this time period are \$170.00. Both the Law Firm and Accountant acknowledge that such fee compensation and expense reimbursement is subject to a twenty percent (20%) holdback, pending the completion of this case. With the holdback applied, the Receiver and Law firm are seeking compensation in the amount of \$80,861.20 and expense reimbursement in the amount of \$353.26, while the Accountant is seeking payment of \$124,782.00 in compensation and expense reimbursement in the amount of \$136.00 at this time.

In the First Interim Fee Application, the Receiver requested payment to the Law Firm in the amount of \$137,408.64 for services performed, and \$9,947.40 for expenses incurred during the first quarter, both of which represent eighty percent (80%) of the Firm's total fees and expenses for that quarter. The Receiver likewise requested payment of \$34,862.00 to the Accountant for services performed through the first quarter, which likewise represented eighty (80%) of the Accountant's total fee. (Dkt. No. 43). The Receiver's Motion to Approve First Interim Fee Application has not yet been ruled upon as of the date of this filing; therefore, the Law Firm and Accountants have not yet received any payment for their work or reimbursement of expenses incurred in connection with this matter.

As evidence of the substantial time and effort the Receivership has required, and in support of the fee compensation and expense reimbursement sought herein, the Receiver will submit the following exhibits under seal for the Court's review and consideration:

- Exhibit "B" – Summary of Legal Professional & Paraprofessional Time and of Expenses by the Receiver and his Counsel; and
- Exhibit "C" – Summary of Accounting Professional & Paraprofessional Time and Expenses.

These exhibits,¹³ as well as the narrative descriptions in this Application, evidence the time and labor employed in this matter.

The following includes a breakdown of the Receiver and the Law Firm's hours and fees during this quarter, by legal category as defined by the SEC's billing guidelines:

Activity Category	Hours	Fee Amount
Asset Analysis and Recovery	141.90	\$43,990.50
Asset Disposition	0.80	\$278.00
Case Administration	155.70	\$56,735.00
Claims Administration and Objections	0.20	\$73.00
Totals	298.60	\$101,076.50

The following includes a breakdown of the Accountant's hours and fees during this quarter, as defined by the SEC's billing guidelines:

¹³ These exhibits are being filed under seal pursuant to Paragraph 73 of the Receivership Order.

Activity Category	Hours	Fee Amount
Accounting/Auditing	3.7	\$1,532.50
Data Analysis	41.1	\$17,475.00
Forensic Accounting	400.4	\$131,125.00
Status Reports	13.6	\$5,845.00
Totals	458.8	\$155,977.50

The following includes a breakdown of the Receiver and the Law Firm's, hours and fees, broken down by biller for this quarter:

Name/Position	Hourly Rate	Hours	Fee Amount
Kevin D. Kent, Receiver	\$510.00	36.60	\$18,666.00
Andrew Gallinaro, Partner	\$365.00	82.30	\$30,039.50
Robin Weiss, Associate	\$330.00	137.70	\$45,441.00
Brianna Dinmore, Paralegal	\$165.00	42.00	\$6,930.00
TOTALS		298.60	\$101,076.50

The following includes a breakdown of the Accountant's hours and fees for this quarter, broken down by biller for this quarter:

Name/Position	Hourly Rate	Hours	Fee Amount
Forensic Analysis Team			
Michael Shanahan (Senior Director)	\$550.00	27.8	\$15,290.00
David Medway (Manager)	\$425.00	104.3	\$44,327.50
Meghan Morine (Senior Associate)	\$375.00	160.2	\$60,075.00
Matthew Ryan II (Paraprofessional)	\$150.00	125.4	\$18,810.00

Forensic Analysis Team Sub-Total		417.7	\$138,502.50
Forensic Technology Team			
Mark Kindy (Managing Director)	\$550.00	1.0	\$550.00
Bradley Koehler (Senior Director)	\$550.00	14.9	\$8,195.00
Curtis Stecke (Manager)	\$425.00	1.0	\$425.00
James McKenzie, IV (Manager)	\$425.00	11.0	\$4,675.00
Tony Keophilavanh (Associate)	\$275.00	13.2	\$3,630.00
Forensic Technology Team Sub-Total		41.1	\$17,475.00
OVERALL TOTALS		458.80	\$155,977.50

The fees and expenses included herein were incurred in the best interests of the Receivership Estate. With the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

IV. REQUEST FOR COMPENSATION FOR FEES AND EXPENSES

This Court has the power to appoint a receiver and to award the receiver fees for his services and for expenses incurred by the Receiver in the performance of his duties. *See 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.”);

see also Securities & Exch. Comm'n v. Elliot, 953 F. Supp. 1560 (11th Cir. 1992) (noting that the receiver is entitled to compensation for faithful performance of his duties). The case law on equity receiverships sets forth the standards for approving receiver compensation and the fees and expenses for the receiver's counsel. The District Court has discretion to determine compensation to be awarded to a court-appointed equity receiver and his counsel and "may consider all of the factors involved in a particular receivership in determining the appropriate fee." *Gaskill v. Gordon*, 27 F.3d 248, 253 (7th Cir. 1994). Many authorities provide "convenient guidelines," but in the final analysis, "the unique fact situation renders direct reliance on precedent impossible." *Securities & Exch. Comm'n v. W.L. Moody & Co.*, 374 F. Supp. 465, 480 (S.D. Tex. 1974), *aff'd*, 519 F. 2d 1087 (5th Cir. 1975).

In allowing counsel fees in Securities Act receiverships, "[t]he court will consider . . . the complexity of problems faced, the benefit to the receivership estate, the quality of work performed, and the time records presented." *Securities & Exch. Comm'n v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973); *see also United States v. Code Prods.*, 362 F.2d 669, 673 (3d Cir. 1966) (noting that court should consider the time, labor and skill required—but not necessarily expended—the fair value of such time, labor and skill, the degree of activity, the dispatch with which the work is conducted and the result obtained). "[R]esults are always relevant." *Securities & Exch. Comm'n v. Elliot*, 953 F.2d

1560, 1577 (11th Cir. 1992) (*quoting Moody*, 374 F. Supp. at 480). However, a good result may take a form other than a bare increase in monetary value. *See id.* (“Even though a receiver may not have increased, or prevented a decrease in, the value of the collateral, if a receiver reasonably and diligently discharges his duties, he is entitled to compensation.”).

Another “basic consideration is the nature and complexity of the legal problems confronted and the skill necessary to resolve them.” *Moody*, 374 F. Supp. at 485. Moreover, “[t]ime spent cannot be ignored.” *Id.* at 483. Lastly, the Court should recognize that the fees and expenses incurred in the first six months of the Receivership will not necessarily be typical of future applications due to the extent of initial start-up work required to secure and liquidate the assets and to wind up the business entities. *See Gordon v. Dadante*, 2008 WL 1805787 at *11 (N.D. Ohio 2008) (recognizing that, with receivership, as is “common in cases of this nature, the bulk of the effort—and expense—is frontloaded.”).

Under these standards, the Receiver has adequately demonstrated that the amount of fees requested is appropriate. The Receiver, his Counsel and Accountants have acted quickly to take control of the Receivership Entities and to prevent the further dissipation of assets. The benefit to investors, though not quantifiable to a specific dollar figure at this early stage of the receivership, will become quantifiable as the case proceeds. Investors are being located and

catalogued, and will be kept informed of the Receiver's progress toward winding up the Receivership Estate and making an ultimate distribution. The amounts at issue in this case are substantial, where the Ponzi scheme involved in excess of \$100 million during its operation, and it is estimated that investors are still owed in excess of \$63 million in principal.

The issues being addressed by the Receiver, his Counsel and Accountants are complex and involve the investigation of widespread, international fraud perpetrated across a complex web of various entities managed or controlled by Smith over a multi-year period. Following numerous bizarre, and largely failed, investments in restaurants, property development projects, mineral mining, extraction and transport endeavors, and overseas companies—most of which were abandoned by Smith and/or the Receivership Parties at a loss—as well as what appear to be substantial “gifts” to friends and/or colleagues of Smith without any known benefit to the Receivership Parties, the Estate has been left with very few known assets remaining. The Receivership has, and will continue to require, extensive investigation to attempt to locate additional assets and gather the evidence necessary to identify and pursue potential claw-back claims, but the Receiver remains hopeful that, with additional time and effort, significant funds can be recovered on behalf of the Receivership Estate.

Through the Receiver's and his Retained Professional's efforts thus far, the Receivership now has in excess of \$3.3 million in the Receivership Account. The Receiver has worked swiftly to identify and locate millions of dollars in Receivership stock holdings and four (4) parcels of land in Louisiana so that he can, with the Court's authority, sell these Receivership Assets for the benefit of the Receivership Estate. While forensic investigation is ongoing, the Receiver believes the Receivership will likely have claims to recover significant assets from third parties, including, but not limited to, recipients of fraudulent transfers and net-winner investors. The Receiver has already filed a Motion to Initiate Litigation against on Behalf of the Receivership Estate, and anticipates that additional motions will be forthcoming as his Counsel and Accountants' factual investigation and forensic analysis continue.

The Receiver's efforts have been greatly complicated by the fact that many of Smith's dealings were overseas, resulting in minimal responsiveness and cooperation from banks, individuals and entities receiving notice abroad, and that several of the individuals with whom Smith has had substantial dealings have, thus far, failed to respond to the Receiver and/or cooperate with his investigation.

This Court has already found that the rates charged by the Receiver and his Counsel and Accountant are reasonable for the experience of the individuals performing the work and in light of the complexity of the work performed, and are

consistent with the rates charged for similarly complex work done by other, similarly experienced professionals in this geographic region. Receivership Order, ¶¶ 80, 83. The Receiver has attempted to maximize cost savings and administer the Estate as efficiently as possible, by, for example, assigning professionals and paraprofessionals with the lowest billable rate appropriate for the task at issue, which the Accountant has likewise done where appropriate. Additionally, the Receiver and his Counsel have extensively utilized non-billing administrative personnel where appropriate – utilizing IT staff to assist with data collection and retrieval of server equipment, Conrad O’Brien’s business manager to assist with account opening, maintenance, and wire transfers; utilizing administrative and secretarial staff to communicate with courts in connection with issues and procedures relating to filings pursuant to 28 U.S.C. § 754; and utilizing the mailroom staff to assist with site visits, the transfer of personal property, and the retrieval of Smith’s vehicle. Additionally, the Receiver and his Law Firm have not sought compensation for any pre-appointment time.

The Receiver and his Retained Professionals’ compensation in this matter is subject to the final approval of this Court. The Receiver and his team have not received any compensation for their services or unreimbursed costs incurred during the second application period. The Court should consider that the Receiver as well as his attorneys and accountants have assumed the risk of non-payment and/or

substantial delay in payment in accepting the Court appointment, particularly with so little known regarding the amount and availability of Receivership Assets.

Based on the foregoing, the Receiver respectfully submits that the compensation sought by the Receiver and his team is wholly warranted.

WHEREFORE, the Receiver respectfully requests that the Court grant the Receiver's Motion for Approval of the Second Interim Fee Application for the Time Period October 1, 2020 through December 31, 2020, and thereby authorize the following:

1. Payment to Conrad O'Brien PC in the amount of \$80,861.20, as compensation for services performed from October 1, 2020 through December 31, 2020, such payment representing eighty percent (80%) of its fees for this quarter;

2. Payment to Alvarez & Marsal Disputes and Investigations, LLC in the amount of \$124,782.00, as compensation for services performed from October 1, 2020 through December 31, 2020, such payment representing eighty percent (80%) of its fees for this quarter;

3. Payment to Conrad O'Brien PC in the amount of \$353.26, for expenses incurred from October 1, 2020 through December 31, 2020, representing eighty percent (80%) of its expenses for this quarter; and

4. Payment to Alvarez and Marsal Disputes and Investigations, LLC in the amount of \$136.00, for expenses incurred from October 1, 2020 through

December 31, 2020, representing eighty percent (80%) of its expenses for this quarter.

Date: 2/11/2021

Respectfully Submitted,

s/ Robin S. Weiss

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EXHIBIT “A”

Kevin Dooley Kent
1500 Market Street, Suite 3900
Philadelphia, PA 19102
(215) 864-9600

STANDARDIZED FUND ACCOUNTING REPORT

CIVIL – RECEIVERSHIP FUND

Brenda Smith, Broad Reach Capital, LP, Broad Reach Partners,
LLC, and Bristol Advisors, LLC
Civil Action No.: 2:19-cv-17213-MCA-ESK

REPORTING PERIOD 10/01/2020 TO 12/31/2020

STANDARDIZED FUND ACCOUNTING REPORT for Consolidated Broad Reach Capital Receivership Entities - Cash Basis
 Receivership; Civil Court Docket No. 2:19-CV-17213-MCA-ESK
 REPORTING PERIOD 10/01/2020 TO 12/31/2020

FUND ACCOUNTING (See Instructions):		Current Reporting Period - 10/01/20 to 12/31/20			06/29/20 - 12/31/20
		Detail	Subtotal	Period Total	Case to Date
Line 1	Beginning Balance (As of 10/01/20)			\$ 808,872.10	\$ -
Increases in Fund Balance:					
Line 2	Business Income			-	-
Line 3	Cash and Securities			595,579.24	1,404,501.34
Line 4	Interest/Dividend Income			-	-
Line 5	Business Asset Liquidation			-	700.00
Line 6	Personal Asset Liquidation			-	-
Line 7	Third-Party Litigation Income			-	-
Line 8	Miscellaneous - Other			-	-
Total Funds Available (Lines 1 – 8):				\$ 1,404,451.34	\$ 1,405,201.34
Decreases in Fund Balance:					
Line 9	Disbursements to Investors/Claimants			-	-
Line 10	Disbursements for Receivership Operations			6,744.10	7,494.10
Line 10a	Disbursements to Receiver or Other Professionals			500.00	
Line 10b	Business Asset Expenses			6,244.10	
Line 10c	Personal Asset Expenses			-	
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				\$ 6,744.10	\$ 7,494.10
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 Advisers			-	
	Tax Advisers			-	
	2. Administrative Expenses			-	
	3. Miscellaneous			-	
	Total Plan Development Expenses			-	
Line 11b	Distribution Plan Implementation Expenses:				
	1. Fees:				
	Fund Administrator			-	
	IDC			-	
	Distribution Agent			-	
	Consultants			-	
	Legal Advisers			-	
	Tax Advisers			-	
	2. Administrative Expenses			-	
	3. Investor Identification:				
	Notice/Publishing Approved Plan			-	
	Claimant Identification			-	
	Claims Processing			-	
	Web Site Maintenance/Call Center			-	
	4. Fund Administrator Bond			-	
	5. Miscellaneous			-	
	6. Federal Account for Investor Restitution (FAIR)			-	
	Reporting Expenses			-	
	Total Plan Implementation Expenses			-	
Total Disbursements for Distribution Expenses Paid by the Fund				\$ -	\$ -
Line 12	Disbursements to Court/Other:			-	-
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			-	
Line 12b	Federal Tax Payments			-	
Total Disbursements to Court/Other				\$ -	\$ -
Total Funds Disbursed (Lines 9 – 11):				\$ 6,744.10	\$ 7,494.10
Line 13	Ending Balance (As of 12/31/20):			\$ 1,397,707.24	\$ 1,397,707.24
Line 14	Ending Balance of Fund – Net Assets:				
Line 14a	Cash & Cash Equivalents			1,397,707.24	1,397,707.24
Line 14b	Investments			-	-
Line 14c	Other Assets or Uncleared Funds			-	-
Total Ending Balance of Fund – Net Assets				\$ 1,397,707.24	\$ 1,397,707.24

STANDARDIZED FUND ACCOUNTING REPORT for Consolidated Broad Reach Capital Receivship Entities - Cash Basis
 Receivship; Civil Court Docket No. 2:19-CV-17213-MCA-ESK
 REPORTING PERIOD 10/01/2020 TO 12/31/2020

OTHER SUPPLEMENTAL INFORMATION:		Current Reporting Period - 10/01/20 to 12/31/20			06/29/20 - 12/31/20
		Detail	Subtotal	Period Total	Case to Date
Line 15	Report of Items NOT To Be Paid by the Fund:				
	Disbursements for Plan Administration Expenses Not Paid by the Fund:			\$ -	\$ -
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund:</i>				
	1. Fees:				
	Fund Administrator			-	
	IDC			-	
	Distribution Agent			-	
	Consultants			-	
	Legal Advisers			-	
	Tax Advisers			-	
	2. Administrative Expenses			-	
	3. Miscellaneous			-	
	Total Plan Development Expenses Not Paid by the Fund			\$ -	
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund:</i>				
	1. Fees:				
	Fund Administrator			-	
	IDC			-	
	Distribution Agent			-	
	Consultants			-	
	Legal Advisers			-	
	Tax Advisers			-	
	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. FAIR Reporting Expenses			-	
	Total Plan Implementation Expenses Not Paid by the Fund			\$ -	
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>				
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-	-
Line 16	Disbursements to Court/Other Not Paid by the Fund:				
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>			-	-
<i>Line 16b</i>	<i>Federal Tax Payments</i>			-	-
	Total Disbursements to Court/Other Not Paid by the Fund:			-	-
Line 17	DC & State Tax Payments			\$ -	\$ -
Line 18	No. of Claims:				
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>				-
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>				-
Line 19	No. of Claimants/Investors:				
<i>Line 19a</i>	<i># of Claimants/Investors Paid This Reporting Period</i>				-
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund</i>				-

Receiver:

By: Kevin Dooley Kent
 (signature)

Kevin Dooley Kent
 (printed name)

Receiver
 (title)

Date: 1/18/21

NOTES TO THE STANDARDIZED FUND ACCOUNTING REPORT**Receivership Cash Accounts**

As of December 31, 2020, the Receiver's cash balance of \$1,397,707.24 was maintained in a checking account at Bank of America.

Investments, Real and Personal Property

The Receiver is in the process of identifying and liquidating all of the investments, real and personal property of the Receivership Parties. In addition to the transactions reflected within the Standardized Fund Accounting Report, the Receivership has an interest in the following securities valued using per share closing prices as of December 31, 2020:

Investment	Symbol	Shares	Approximate Value as of 12/31/2020^[A]
Palantir Technologies Inc	PLTR	144,000	\$ 3,391,200
Greenbriar Capital Corp	GRB.V	50,000	\$ 62,725

^[A] Greenbriar Capital Corp investment is traded on a foreign exchange in CAD. Value converted to USD using historical exchange rates published at x-rates.com.

The Receiver is seeking repayment of a secured promissory note from Spouting Rock Holdings, LLC, payable to Broad Reach Capital, LP ("Spouting Rock Note"). The balance on the Spouting Rock Note exceeds \$1.65 million as of December 31, 2020, and continues to accrue interest.

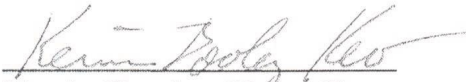
Additionally, the Receivership has an interest in four parcels in Tangipahoa Parish, Louisiana. The Receiver is in the process of determining the value of these properties.

therein are true and accurate and comply with the Billing Instructions;

- (c) All fees contained in the Application are based on the rates listed in the Applicant's fee schedule attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience for the activity performed;
- (d) I have 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); and
- (e) In seeking reimbursement for a service which the Applicant justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien searches), 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. With regard to such services performed by the Receiver or his staff, the Receiver certifies that he is not making a profit on such reimbursable service.

2. I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 12th day of February, 2021.


Kevin Dooley Kent, Esq.

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**BRENDA SMITH, BROAD REACH
CAPITAL, LP, BROAD REACH
PARTNERS, LLC, and BRISTOL
ADVISORS, LLC,**

Defendants.

C. A. No. 2:19-cv-17213 (MCA)

STATEMENT IN LIEU OF BRIEF PURSUANT TO L.CIV.R. 7.1(d)(4)

Pursuant to Local Civil Rule 7.1(d)(4), the undersigned, on behalf of the Receiver, Kevin D. Kent, Esquire, hereby submits this Statement in lieu of the submission of a formal brief in support of the Motion for Approval of Second Interim Fee Application for the Period October 1, 2020 through December 31, 2020. Inasmuch as the attached Interim Fee Application complies with the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission and otherwise satisfies the requirements for Interim Fee Applications as set forth in this Court's June 29, 2020 Order Appointing Receiver, and contains all information and documentation required by the SEC as well as legal

argument in support of the Interim Fee Application, and until any opposition to the Motion is filed, it is respectfully suggested that any additional, formal brief in support of the Motion and attached Application would be duplicative and unnecessary at this time.

Respectfully submitted,

Dated: 2/12/2021

s/ Robin S. Weiss
Robin S. Weiss, Esquire
Andrew S. Gallinaro, Esquire.
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agallinaro@conradobrien.com
*Attorneys for Receiver, Kevin D. Kent,
Esq.*

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**BRENDA SMITH, BROAD REACH
CAPITAL, LP, BROAD REACH
PARTNERS, LLC, and BRISTOL
ADVISORS, LLC,**

Defendants.

C. A. No. 2:19-cv-17213 (MCA)

**ORDER APPROVING THE RECEIVER, KEVIN D. KENT, ESQUIRE'S
SECOND INTERIM FEE APPLICATION FOR THE PERIOD
OCTOBER 1, 2020 THROUGH DECEMBER 31, 2020**

THIS MATTER having come before this Court upon the Motion of Receiver, Kevin D. Kent, Esquire, for Approval of Second Interim Fee Application for the Period October 1, 2020 through December 31, 2020;

It is on this _____ day of _____, 2021,

ORDERED that the Receiver's Second Interim Fee Application is APPROVED; and it is

FURTHER ORDERED that Payment to Conrad O'Brien PC ("Law Firm") in the amount of \$80,861.20, for services performed from October 1, 2020 through

December 31, 2020, representing eighty percent (80%) of the Law Firm's total fee of \$101,076.50 for this quarter, is APPROVED and may be paid by the Receiver at this time; and it is

FURTHER ORDERED that payment to Alvarez & Marsal Disputes and Investigations, LLC ("Accountant") in the amount of \$124,782.00 for services performed from October 1, 2020 through December 31, 2020, representing eighty percent (80%) of the Accountant's total fee of \$155,977.50 for this quarter, is APPROVED and may be paid by the Receiver at this time; and it is

FURTHER ORDERED that payment to Conrad O'Brien PC in the amount of \$353.26 for expenses incurred from October 1, 2020 through December 31, 2020, representing eighty percent (80%) of the Firm's total expenses of \$441.58 for this quarter, is APPROVED and may be paid by the Receiver at this time; and it is

FURTHER ORDERED that payment to Alvarez & Marsal Disputes and Investigations, LLC in the amount of \$136.00 for expenses incurred from October 1, 2020 through December 31, 2020, representing eighty percent (80%) of the Accountant's total expenses of \$170.00 for this quarter, is hereby APPROVED and may be paid by the Receiver at this time.

BY THE COURT:

HONORABLE MADELINE COX ARLEO
UNITED STATES DISTRICT JUDGE

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**BRENDA SMITH, BROAD REACH
CAPITAL, LP, BROAD REACH
PARTNERS, LLC, and BRISTOL
ADVISORS, LLC,**

Defendants.

C. A. No. 2:19-cv-17213 (MCA)

**CERTIFICATE OF
SERVICE**

I hereby certify, this 12th day of February, 2021 that I caused to be served a true and correct copy of the Notice of Motion of Receiver, Kevin D. Kent, Esquire, for Approval of First Interim Fee Application for the Period October 1, 2020 through December 31, 2020, upon Plaintiff, Securities and Exchange Commission, through counsel of record by electronic filing pursuant to Fed.R.Civ.P. 5(b), and upon Defendant, Brenda A. Smith, on behalf of all defendants, via first-class mail, postage prepaid, as follows:

Brenda A. Smith
Permanent ID 2019-339640
CCIS# 07-571432
U.S. Marshalls Number 72832-050
Essex County Correctional Facility

354 Doremus Avenue
Newark, NJ 07105

s/ Robin S. Weiss _____
Robin S. Weiss, Esq.
Attorney for Receiver, Kevin D. Kent, Esq.

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**BRENDA SMITH, BROAD REACH
CAPITAL, LP, BROAD REACH
PARTNERS, LLC, and BRISTOL
ADVISORS, LLC,**

Defendants.

C. A. No. 2:19-cv-17213 (MCA)

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I hereby certify, this 12th day of February, 2021 that I caused to be served a true and correct copy of the Notice of Motion of Receiver, Kevin D. Kent, Esquire, for Approval of First Interim Fee Application for the Period October 1, 2020 through December 31, 2020, upon Plaintiff, Securities and Exchange Commission, through counsel of record by electronic filing pursuant to Fed.R.Civ.P. 5(b), and upon Defendant, Brenda A. Smith, on behalf of all defendants, via first-class mail, postage prepaid, as follows:

Brenda A. Smith
Permanent ID 2019-339640
CCIS# 07-571432
U.S. Marshalls Number 72832-050
Essex County Correctional Facility

354 Doremus Avenue
Newark, NJ 07105

s/ Robin S. Weiss _____
Robin S. Weiss, Esq.
Attorney for Receiver, Kevin D. Kent, Esq.