

**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)**

**RECEIVER KEVIN DOOLEY KENT'S SEVENTH QUARTERLY  
STATUS REPORT**

Robin S. Weiss, Esq.  
Conrad O'Brien PC  
1500 Market Street, Suite 3900  
Centre Square, West Tower  
Philadelphia, PA 19102  
Phone: (215) 864-9600  
Facsimile: (215) 864-9620  
E-mail: rweiss@conradobrien.com

Andrew S. Gallinaro, Esq.  
Conrad O'Brien PC  
1500 Market Street, Suite 3900  
Centre Square, West Tower  
Philadelphia, PA 19102  
Phone: (215) 864-8083  
Facsimile: (215) 864-7403  
E-mail: agallinaro@conradobrien.com

Date: 5/2/2022

**TABLE OF CONTENTS**

I. INTRODUCTION .....	1
II. SUMMARY OF THE OPERATIONS OF THE RECEIVER .....	2
A. Litigation-Related Activities .....	3
i. Motion Practice .....	3
ii. Lawsuits Filed on Behalf of the Receivership Estate .....	5
B. Storage & Sale of Belongings and Data.....	7
C. Louisiana Properties .....	7
D. Private Investments and Ownership Interests .....	7
E. Investigation, Development, Pursuit and Settlement of Claims .....	8
F. Fidelity Bond Claim .....	9
G. Analysis of Frozen Contested Accounts .....	9
H. Financial Account Reconstruction and Accounting Support .....	9
I. Receivership Taxes.....	10
III. CASH ON HAND, ADMINISTRATIVE EXPENSES, AND UNENCUMBERED FUNDS.....	11
IV. RECEIPTS AND DISBURSEMENTS .....	13
V. RECEIVERSHIP ASSETS .....	13
A. Receivership Bank Account .....	13
B. Pending and Upcoming Settlements.....	13
C. Stock Holdings .....	14
D. Private Investments.....	14
E. Receivables and Promissory Notes .....	14
F. Louisiana Properties .....	15
G. Additional Bank Accounts and Funds.....	15
H. Personal Property.....	16
I. Insurance.....	16
VI. LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY RECEIVERSHIP ESTATE .....	17
VII. CREDITORS .....	19
VIII. STATUS OF CREDITOR CLAIMS PROCEEDINGS .....	22

IX. RECEIVER’S RECOMMENDATIONS FOR CONTINUATION OR  
DISCONTINUATION OF THE RECEIVERSHIP .....22

X. CONCLUSION .....22

The Receiver, Kent Dooley Kent, has been appointed by Order of this Court dated June 29, 2020 (“Receivership Order”), to assume control of, marshal, pursue and preserve the Receivership Assets. (ECF No. 22). The Receiver hereby submits this Seventh Quarterly Status Report (the “Report”), in accordance with Paragraphs 67 and 68 of the Receivership Order, and reports to the Court as follows:

## **I. INTRODUCTION**

This action involves an investment advisory fraud in connection with which Defendants, Brenda A. Smith (“Brenda Smith” or “Smith”), Broad Reach Capital, LP, Broad Reach Partners, LLC and Bristol Advisors, LLC, are alleged to have raised in excess of \$100 million from at least forty (40) investors, based upon false representations regarding trading strategies to be implemented when, in reality, the vast majority of these investments were funneled into unrelated companies, used to pay back other investors, or utilized for personal use. (ECF No. 1). It is estimated that investors are still owed approximately \$60 million in principal. Brenda Smith pled guilty to committing securities fraud in connection with Broad Reach Capital on September 9, 2021, in *USA v. Smith*, No. 2:20-cr-00475-MCA (D.N.J.).

On June 29, 2020, this Court appointed Mr. Kent as Receiver to assume control of, marshal, pursue and preserve assets of Defendant, Brenda Smith, and Receivership Parties 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 Investments, LLC (ECF No. 96), Investment Consulting LLC, and Tempo Resources LLC (hereinafter “Receivership Assets” or “Receivership Estate”). Receivership Order, Whereas ¶¶ 3; ¶¶ 1–3, 5 (ECF No. 22).

Going forward, in the interest of brevity, the Receiver will focus his quarterly status reports on the applicable reporting period rather than developments in the case to date. The Receiver incorporates his prior quarterly status reports with respect to events that took place in prior quarters. This Report provides a full report and accounting of the Receivership Estate for the seventh quarter, reflecting the existence, value and location of currently known Receivership Assets, and the extent and nature of known liabilities.

## **II. SUMMARY OF THE OPERATIONS OF THE RECEIVER**

On June 29, 2020, the Receiver was appointed to assume control of, marshal, pursue and preserve Receivership Assets. The balance in the Receivership Account as of the close of the quarter was \$6,870,777.21. The Receiver and his Counsel have continued to focus their efforts on locating, marshaling, and preserving Receivership Assets; selling and liquidating Receivership Assets; continuing

document review and investigation; and investigating and pursuing claims, either informally or through the initiation of litigation, against third parties. The Receiver's Accountants have continued to focus on providing forensic analysis and support to the Receiver in connection with the identification, negotiation and pursuit of potential claims, performing tax-related services for the Receivership, and managing the document repository to allow for efficient review and organization of substantial amounts of data from various sources. The Accountants are supporting the Receiver in his negotiations with the IRS regarding Receivership tax liabilities for the years prior to the Receiver's appointment.

The operations of the Receiver for the Seventh Quarter are outlined in further detail below.

**A. Litigation-Related Activities**

**i. Motion Practice**

With respect to the sale of real property owned by Smith in Louisiana, after publishing notice of the proposed sale, the Receiver filed a Notice of Submission of Timely and Qualifying Competing Bids on January 3, 2022. (ECF No. 154). Following a January 10, 2022 Hearing, the Court entered an Order confirming the sale of the property for \$351,000.00 on January 12, 2022 (ECF No. 158).

On January 14, 2022, the Receiver filed a Motion for Order Setting Claims Bar Date, Establishing Claims Procedure and Approving Notification Process. (ECF No. 160). That Motion was granted on February 22, 2022. (ECF No. 168).

The Receiver filed Motions to Approve Settlements Resolving Ownership of the Rybicki Capital Partners, LLC Account (ECF No. 169) and Resolving the Receiver's Claims Against M.C. and M.S.C. (ECF No. 170)<sup>1</sup> on February 24, 2022. On March 17, 2022, the Receiver filed a Motion to Approve a Settlement Resolving the Receiver's Claims Against Sanville & Company.<sup>2</sup> (ECF No. 176). On April 15, 2022, the Receiver filed a Motion to Approve a Settlement Resolving the Receiver's Claims Against L.H.<sup>3</sup> (ECF No. 181). These motions remain pending as of the date of this filing.

On March 22, 2022, the Receiver filed a Motion to Determine Ownership of the frozen Awootton Consulting, LLC Account. (ECF No. 180). William McCormack filed a response on April 19, 2022, noting that he has no objection to

---

<sup>1</sup> The Exhibits to this Motion were filed under seal. (ECF No. 71). The Receiver also filed a Motion to Seal the Exhibits on February 24, 2022. (ECF No. 71). The Motion to Seal was granted on February 25, 2022. (ECF No. 173).

<sup>2</sup> The Exhibits to this Motion were filed under seal. (ECF No. 177). The Receiver also filed a Motion to Seal the Exhibits on March 17, 2022. (ECF No. 178). The Motion to Seal was granted on March 18, 2022. (ECF No. 179).

<sup>3</sup> The Exhibits to the Motion were filed under seal. (ECF No. 182). The Receiver filed a Motion to Seal the Exhibits on April 19, 2022. (ECF No. ECF No. 184). The Motion to Seal was granted on April 20, 2022. (ECF No. 186).

the assets of the Awootton Consulting, LLC Account being considered part of the Receivership Estate. (ECF No. 185). The Motion remains pending as of this filing.

**ii. Lawsuits Filed on Behalf of the Receivership Estate**

The Receiver's First (ECF No. 49), Second (ECF No. 98) and Third (No. 147)<sup>4</sup> Motions for Permission to Initiate Litigation on Behalf of the Receivership Estate were granted on August 31, 2021 (ECF No. 117), January 27, 2022 (ECF No. 161) and February 22, 2022 (ECF No. 167), respectively.

The Receiver's eleven (11) lawsuits and their current status are as follows:

- ***Kevin D. Kent, in his capacity as Receiver v. Emperor Global Enterprises LLP, et al., No. 2:21-cv-13099 (D.N.J.):*** The Receiver filed the Complaint on June 29, 2021. The case is currently subject to a temporary litigation stay. A telephone conference took place on April 19, 2022, and a status conference is scheduled for May 20, 2022.
- ***Kevin D. Kent, in his capacity as Receiver v. Medical Consultants Instructional Training Center, et al., No. 2:21-cv-13104 (D.N.J.):*** The Receiver filed the Complaint on June 29, 2021. The parties are currently proceeding with discovery. A telephone status conference took place on April 27, 2022.
- ***Kevin D. Kent, in his capacity as Receiver v. Richard C. Galvin, et al., No. 2:21-cv-13105 (D.N.J.):*** The Receiver filed the Complaint on June 29, 2021. Defendants filed an Answer on March 25, 2022. Defendants filed an Amended Answer with Counterclaims on April 15, 2022. A scheduling conference is scheduled for May 9, 2022.
- ***Kevin Dooley Kent, in his capacity as Receiver v. Agostinho Calcada, No. 2:21-cv-18396 (D.N.J.):*** The Receiver filed the

---

<sup>4</sup> The Receiver filed a supplemental exhibit to the Third Motion to Initiate Litigation on February 22, 2022 (ECF No. 164) before the Motion was approved.



Complaint on October 11, 2021. The parties are currently proceeding with discovery.

- ***Kevin Dooley Kent, in his capacity as Receiver v. Renato Iregui, et al., No. 2:21-cv-20691 (D.N.J.):*** The Receiver filed a Complaint on December 23, 2021. Service has been effectuated and/or waived.
- ***Kevin Dooley Kent, in his capacity as Receiver v. Richard Shawn Ellis, et al., No. 2:21-cv-20754 (D.N.J.):*** The Receiver submitted the Complaint for filing on December 23, 2021. Defendants filed Motions to Transfer Venue (ECF No. 26) and to Dismiss (ECF No. 29) on March 15, 2022. The Court administratively terminated the Motion to Dismiss pending resolution of the Motion to Transfer. (ECF No. 34). The Receiver filed a Response to the Motion to Transfer on April 4, 2022. (ECF No. 35). The Defendants filed a Reply on April 11, 2022. (ECF No. 37).
- ***Kevin Dooley Kent, in his capacity as Receiver v. Jordan Denise, et al., No. 2:22-cv-00388 (D.N.J.):*** The Receiver filed the Complaint on January 26, 2022. All defendants have been served.
- ***Surefire Dividend Capture, LP and Kevin Dooley Kent, Esq., as Receiver v. The Nottingham Company, et al., No. 19-CV-04088-BMS (E.D. Pa.):*** The Receiver filed a Motion for Leave to File a Complaint in Intervention and to Lift Stay on February 10, 2022. (ECF No. 131). After an opposition was filed, the Receiver filed a Reply in Support of the Motion on March 3, 2022. (ECF No. 137). The Receiver's Motion was granted on April 11, 2022, with the stay to be lifted on or about June 10, 2022. (ECF No. 139).
- ***Kevin Dooley Kent, in his capacity as Receiver v. Ronald Hightower, et al., No. 2:22-cv-01195 (D.N.J.):*** The Receiver filed the Complaint on March 4, 2022. All defendants have waived formal service.
- ***Kevin Dooley Kent, in his capacity as Receiver v. Jeffrey Bydalek, et al., No 2:22-cv-01811 (D.N.J.):*** The Receiver filed the Complaint on March 31, 2022.

- ***Kevin Dooley Kent, in his capacity as Receiver v. Larry Hooper, et al., No 2:22-cv-01876 (D.N.J.):*** The Receiver filed the Complaint on April 1, 2022.

## **B. Storage & Sale of Belongings and Data**

Stephenson's Auction continues to sell Smith's personal property on a rolling basis. During this quarter, this resulted in proceeds of \$3,849.60.<sup>5</sup> The Receiver continues to hold rugs, professional equipment, and non-marketable property of Smith's, as well as the original books and records of the Receivership Parties retrieved from their offices in Conshohocken.

## **C. Louisiana Properties**

The Receiver sold real property owned by Brenda Smith ("Smith Property") for \$351,000.00 on January 27, 2022, pursuant to the Court's approval (ECF No. 158). After payment of the realtor's commission and closing fees, the Receivership Estate received a net of \$328,917.41 from the sale of the Smith Property.

A buyer backed out of the last tentative sale of the property owned by BD of Louisiana ("BD of Louisiana Property"). The BD of Louisiana Property is currently listed for \$599,000.00.

---

<sup>5</sup> To date, the Receivership Estate has received \$11,811.20 in total profits through (15) auctions, after payment of storage fees and commissions.

**D. Private Investments and Ownership Interests**

The Receiver is attempting to resolve and/or liquidate Smith's interest in Bluwater Holdings Corp. through her entity Rocmen Holdings, LLC, as well a potential interest in a gold mine as a result of payments made to Calais Management Corporation. If these interests cannot be liquidated to the Receiver's satisfaction, the Receiver will seek to initiate litigation against the entities involved in order to protect the interests of the Receivership Estate.

The Receiver continues to receive distributions in connection with Smith's \$100,000.00 investment in OTAF (Holgate) LLC. Through the close of the seventh quarter, distributions totaled \$127,477.52. The Receiver received another distribution on April 5, 2022, in the amount of \$19,000.00. It is anticipated that additional distributions will be made on this investment.

**E. Investigation, Development, Pursuit and Settlement of Claims**

The Receiver and his Counsel, with the assistance of the Accountants, continue to research, investigate, analyze and develop potential claims. Nine (9) pre-litigation settlements have been reached so far, valued at in excess of \$1.2 million. Several of these settlements are subject of currently pending motions for approval. (ECF Nos. 169, 170, 176 and 181).<sup>6</sup> The Receiver has filed a total of

---

<sup>6</sup> One net winner investor voluntarily returned the funds demanded by the Receiver without requiring a release.

eleven (11) lawsuits on behalf of the Receivership Estate so far, and has issued demands and/or continues to negotiate with several others.

**F. Fidelity Bond Claim**

Negotiations are continuing on CV Brokerage's fidelity bond claim. The Receiver's Counsel has had numerous communications with the insurer and its Counsel during this quarter.

**G. Analysis of Frozen Contested Accounts**

On February 24, 2022, the Receiver filed a Motion to Approve a Settlement Resolving Ownership of Rybicki Capital Partners LLC PNC Account (ECF No. 169). On March 22, 2022, the Receiver filed a Motion to Determine Ownership of the frozen Awootton Consulting, LLC Account. (ECF No. 180). That Motion is not being contested. (ECF No. 185).

**H. Financial Account Reconstruction and Accounting Support**

The Receiver's Accountants at Alvarez and Marsal continue to support the Receiver's efforts. The Accountants' financial account reconstruction allowed them to make determinations regarding investor capital account activity, and they prepared supporting documentation distributed to investors in connection with the claims process. They will continue to support the Receiver throughout that process, particularly to the extent any investor or creditor claims are the subject of disputes.

The Accountants have continued to support the Receivers' demands issued to, and negotiations with, third-party recipients of investor funds, and their work has allowed the Receiver to initiate litigation against various individuals and entities on behalf of the Receivership Estate. The Accountants remain available to the Receiver, at his request, to provide assistance with specific issues that may arise in connection with certain claims and/or lawsuits the Receiver is pursuing.

### **I. Receivership Taxes**

Alvarez and Marsal continues to provide tax-related services to the Receivership Estate. They continue to assist the Receiver in discussions with the IRS about negating or minimizing tax liabilities, and will be preparing a plan for the ultimate dissolution of most, if not all, of the Receivership Parties.

The Receivership Parties did not file tax returns for at least the two years preceding the Receiver's appointment. The IRS is claiming that in excess of \$1.3 million is owed in connection with unfiled federal returns. It is the Receiver's preliminary position that historical tax returns need not and should not be filed for each individual entity in Receivership.<sup>7</sup> The Receiver and his Accountants further dispute the amounts claimed to be owed.

---

<sup>7</sup> The filing of historical tax returns for pre-appointment time periods would force the Receivership to incur substantial additional professional fees, which the Receiver hopes to avoid.

### **III. CASH ON HAND, ADMINISTRATIVE EXPENSES, AND UNENCUMBERED FUNDS**

As of March 31, 2022, total cash on hand in the centralized Receivership Account (“Receivership Account”) was \$6,870,777.21. The Receiver anticipates that significant additional funds will soon be forthcoming pursuant to certain settlement agreements, several of which are pending before this Court for approval. The Receiver is continuing to negotiate with several other individuals and/or entities and is hopeful that additional settlement funds will soon be obtained.

The Receiver anticipates that his ongoing pursuit of litigation will result in financial benefit for the Receivership Estate,<sup>8</sup> and remains hopeful that the sale of real property owned by BD of Louisiana will generate additional proceeds for the Receivership Estate. Additional potential assets include nearly \$200,000.00 of remaining funds in a frozen account which is the subject of a pending motion,<sup>9</sup> as well as \$444,213.08 held in two Industrial and Commercial Bank of China Financial Services (“ICBC”) clearing accounts for CV Brokerage.<sup>10</sup>

---

<sup>8</sup> Collectively, these claims involve attempts to recover several millions of dollars; however, this does not include the potential for offsetting counter-claims that may be at issue, potential collectability risks, or uncertainties inherent in any litigation concerning the ultimate disposition of the claims.

<sup>9</sup> The Receiver filed a Motion to Determine Ownership of this account on March 22, 2022 (ECF No. 180). That Motion is uncontested. (ECF No. 185).

<sup>10</sup> These funds are being held pursuant to the Stipulation to Resolve ICBCFS’ Motion to Amend the Amended Order Appointing Receiver. (ECF No. 30).

Administrative expenses paid during this quarter total \$303,508.63 and include: (a) \$288,647.82 in professional fees and expense reimbursement to the Receiver, his Counsel and Accountant pursuant to this Court's February 22, 2022 Order approving the Receiver's Fifth Interim Fee Application (ECF No. 168); (b) \$441.04 in professional fees paid to Special Counsel, which was retained to perform document review in connection with a subpoena to produce documents served upon the Receiver up until the entry of the Order Approving the Creation of Document Repository and Protective Order on September 2, 2021 (Dkt. No. 118); (c) \$1,796.74 in 2021 real property tax payments paid to the Tangipahoa Parish Sheriff's Office for Louisiana property owned by Smith and BD of Louisiana; (d) \$355.00 in publication fees in connection with the publishing of notice of the sale of Brenda Smith's property;<sup>11</sup> (e) \$12,210.00 in publication fees paid to the New York Times for nationwide publication of Notice of Claims Procedure and Claims Bar Date;<sup>12</sup> and (f) \$58.03 to Bank of America for account analysis fees.

---

<sup>11</sup> This notice was published pursuant to this Court's December 9, 2021 Order Granting the Receiver's Motion Regarding the Confirmation and Sale of Receivership Real Property in Louisiana Owned by Brenda Smith (ECF No. 145).

<sup>12</sup> This notice was published pursuant to this Court's February 22, 2022 Order Establishing Claims Procedure and Setting Claims Bar Date (ECF No. 168). It is anticipated that additional publication fees will be reported in the Receiver's next quarterly status report.

#### **IV. RECEIPTS AND DISBURSEMENTS**

Pursuant to Paragraph 68 of the Receivership Order, the schedule of the Receiver's receipts and disbursements, in the form of the Standardized Fund Accounting Report ("SFAR") as prescribed by the SEC, is attached hereto as Exhibit "A".

#### **V. RECEIVERSHIP ASSETS**

The Receiver believes that he has identified the majority of Receivership Assets, and his Accountants have traced the funds from the bulk of the investments that were made with Broad Reach. However, some funds do not appear to be recoverable. Other funds likely cannot be recovered without litigation.

##### **A. Receivership Bank Account**

As of the close of the quarter on March 31, 2022, the balance in the Receivership Account was \$6,870,777.21, which represents an increase of \$320,481.09 from the close of the prior quarter.

##### **B. Pending and Upcoming Settlements**

The Receiver anticipates that additional funds will soon be forthcoming through the settlement of claims. The Receiver has collected settlement funds from four (4) settlements so far. Five (5) additional settlements are the subject of currently pending motions for approval. (ECF Nos. 169, 170, 176 and 181). Total settlement value for all settlements so far exceeds \$1.2 million. The Receiver is in



active negotiations with several other individuals and/or entities, and anticipates filing additional motions to approve settlements in the near future.

**C. Stock Holdings**

Prico Market, LLC no longer holds its Lyft shares, because they were taken by a third party. The Receiver initiated a lawsuit against the individual who took possession of the Lyft shares, in which he seeks, *inter alia*, the return of the shares still in his possession, and compensation for the shares that have been sold.

**D. Private Investments**

The Receiver is in the process of attempting to liquidate Smith's purported interests in Bluwater Holdings Corp. and the Calais Gold Mine through buyout and/or a negotiated settlement. The Receiver is prepared to initiate litigation if any proposed resolution fails to appropriately compensate the Receivership for Smith's interest and/or the Receivership Assets transferred. The Receiver will make these determinations based upon the best interests of the Receivership Estate. The Receivership continues to receive distributions on Smith's \$100,000.00 investment in OTAF (Holgate) LLC. The potential value of Smith's one (1) share in CMCC Development Corp. ("CMCC") is currently being investigated.

**E. Receivables and Promissory Notes**

The Receiver's pursuit of litigation involves numerous promissory notes: (1) three promissory notes from Medical Consultants Instructional Training Center

(“MCITC”) totaling \$450,000.00; (2) a promissory note from Sunny Ocean 699, LLC and Agostinho Calcada, individually, for over \$1.5 million; and (3) a promissory note from Rose & Thorn Cowlitz, LLC (“Rose & Thorn”), which received nearly \$7.5 million from Receivership Parties<sup>13</sup>. The Receiver is continuing to investigate the existence and recoverability of other outstanding promissory notes/loan obligations.

#### **F. Louisiana Properties**

The Receiver sold Brenda Smith’s property for \$351,000.00 on January 27, 2022, resulting in total proceeds of \$328,917.41 to the Receivership Estate. A buyer backed out of the last tentative sale of the property owned by BD of Louisiana (“BD of Louisiana Property”). The BD of Louisiana Property is currently listed for \$599,000.00. The property listing can be accessed here: <https://www.redfin.com/LA/10/E-Adams-Rd-70403/home/160606501>.

#### **G. Additional Bank Accounts and Funds**

The Receiver has filed a Motion to Determine Ownership of the Awootton Consulting, LLC Account (ECF No. 180), which holds nearly \$200,000.00 in frozen funds. That Motion is uncontested. (ECF No. 185). The Receiver has reached a settlement with respect to ownership of the Rybicki Capital Partners,

---

<sup>13</sup> The Receiver’s lawsuit against Richard Shawn Ellis, Rose & Thorn, and other affiliated entities primarily involves fraudulent and voidable transfer claims, but seeks certain relief, in the alternative, under a breach of contract theory.

LLC Account, which is pending this Court's review and approval and would result in an infusion of over \$18,000.00 into the Receivership Account. (ECF No. 169).

Industrial and Commercial Bank of China Financial Services, LLC ("ICBCFS") continues to hold \$444,213.08 in two clearing accounts for CV Brokerage, pursuant to the Stipulation to Resolve ICBCFS' Motion to Amend the Amended Order Appointing Receiver. (ECF No. 30). The Receiver anticipates taking steps to determine the rights to these funds in the near future. The Receiver is in the process of investigating whether any other clearing deposits may exist.

#### **H. Personal Property**

Stephenson's Auction continues to sell Smith's personal property on a rolling basis. The Receiver is exploring his options to sell rugs from Smith's Rittenhouse Apartment, but so far has been unable to find any interested buyers. The Receiver has likewise been unable to sell computer equipment retrieved from the Equinix data center. Administrative staff at Conrad O'Brien will make arrangements to have someone retrieve personal / sentimental items without significant resale value for Ms. Smith at the appropriate time.

#### **I. Insurance**

The Receiver continues to negotiate CV Brokerage's fidelity bond claim.

## **VI. LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY RECEIVERSHIP ESTATE**

The Receiver has filed eleven (11) lawsuits over the course of the Receivership, as follows:<sup>14</sup>

- 1) *Kevin D. Kent, in his capacity as Receiver v. Emperor Global Enterprises LLP, et al.*, No. 2:21-cv-13099 (D.N.J.)
- 2) *Kevin D. Kent, in his capacity as Receiver v. Medical Consultants Instructional Training Center, et al.*, No. 2:21-cv-13104 (D.N.J.)
- 3) *Kevin D. Kent, in his capacity as Receiver v. Richard C. Galvin, et al.*, No. 2:21-cv-13105 (D.N.J.)
- 4) *Kevin Dooley Kent, in his capacity as Receiver v. Agostinho Calcada*, No. 2:21-cv-18396 (D.N.J.)
- 5) *Kevin Dooley Kent, in his capacity as Receiver v. Renato Iregui, et al.*, No. 2:21-cv-20691 (D.N.J.)
- 6) *Kevin Dooley Kent, in his capacity as Receiver v. Richard Shawn Ellis, et al.*, No. 2:21-cv-20754 (D.N.J.)
- 7) *Kevin Dooley Kent, in his capacity as Receiver v. Jordan Denise, et al.*, No. 2:22-cv-00388 (D.N.J.)

This lawsuit involves the transfer of \$1,040,000.00 to Defendant, Entercore, Inc., which the Receiver believes were at least partially used for a deposit on a home for the benefit of one or more of the named defendants. The Receivership Parties never recouped any of the funds paid, nor did they receive any apparent benefit in exchange for these transfers. The Complaint includes claims for action to avoid fraudulent and voidable transfers, unjust enrichment, and a demand for an accounting.

---

<sup>14</sup> The Receiver is only including descriptions of lawsuits filed after the close of the sixth quarter. For details regarding previously-filed lawsuits, see the Receiver's prior interim fee applications and quarterly status reports.

**8) *Surefire Dividend Capture, LP and Kevin Dooley Kent, Esq., as Receiver v. The Nottingham Company, et al., No. 19-CV-04088-BMS (E.D. Pa.)***

The Receiver filed a motion on February 10, 2022 seeking leave to file a Complaint in Intervention in this existing action filed by Surefire Dividend Capture against multiple defendants arising out of its investments with Broad Reach and Brenda Smith. Prior to moving to intervene, the Receiver secured the agreement of Surefire to dismiss all of its claims against Receivership Entities, which were filed prior to the existence of the Receivership. The Receiver seeks to intervene in this case to pursue claims against Nottingham and its CEO, Kip Meadows. The Receiver's claims arise out of Nottingham's role as the independent third-party Fund Administrator for the Fund. In this role Nottingham confirmed for Smith's investors the total assets under management with the Fund, calculated fund performance, and provided individual investor statements purporting to show the value and growth of each investors' ownership interest in the Fund. The Receiver's complaint alleges that in performing these valuation services and other recordkeeping functions for Smith and her investors, Nottingham ignored significant warning signs of questionable information supplied by Smith. The Receiver's complaint also asserts that Nottingham's CEO, Kip Meadows was alerted to these facts by his employees but chose to ignore the warning signs because Nottingham needed revenue and he believed he could avoid liability for relying on information supplied by Smith, even though he suspected it was false. In addition to performing these functions, Nottingham also assisted Smith in attracting new investors to the Fund by vouching for the legitimacy and success of Smith and the Fund, despite the concerns Nottingham expressed internally.

**9) *Kevin Dooley Kent, in his capacity as Receiver v. Ronald Hightower, et al., No. 2:22-cv-01195 (D.N.J.)***

This lawsuit involves the transfer of nearly \$5 million to/for the benefit of Defendants, \$500,000.00 of which represented a fee for a Standby Letter of Credit that was never delivered, which should have been refunded, and approximately \$2.5 million of which was used to purchase a home in Atlanta, Georgia. The Receivership Parties never recouped any of the funds paid, nor did they receive any apparent benefit in exchange for these transfers. The Complaint includes claims

for action to avoid fraudulent and voidable transfers, unjust enrichment, breach of contract, and a demand for an accounting.

**10) *Kevin Dooley Kent, in his capacity as Receiver v. Jeffrey Bydalek, et al.*, No 2:22-cv-01811 (D.N.J.)**

This lawsuit seeks to recover fraudulent transfers relating to investment activity, loans, tax payments, and the sale of the Lyft shares belonging to Prico Market LLC. It also seeks the return of the remaining Lyft shares that have not been sold. The Complaint includes claims for action to avoid fraudulent and voidable transfers, unjust enrichment, conversion, creation of a constructive trust, and a demand for an accounting.

**11) *Kevin Dooley Kent, in his capacity as Receiver v. Larry Hooper, et al.*, No 2:22-cv-01876 (D.N.J.)**

This lawsuit seeks to recover profits earned in connection with the defendants' sale of magnetite owned by CV Investments which was being stored on Hooper Ranch, less the reasonable expenses incurred by Hooper Ranch and reasonable past due storage fees owed by CV Investments. The defendants sold the magnetite for nearly \$1.5 million, and reasonable past due storage fees are estimated to total under \$600,000.00. The Complaint includes claims for conversion, unjust enrichment and breach of contract.

The Receiver believes that additional claims may exist, and anticipates filing additional motions to initiate litigation and/or additional lawsuits in the near future.

## **VII. CREDITORS**

The IRS is claiming that the Receivership Parties owe \$1,331,807.00, which is comprised of penalties for late and/or unfiled tax returns of \$416,020.00, estimated unpaid corporate income taxes of \$889,050.00, and estimated unpaid payroll taxes of \$26,737.00 for time periods prior to the Receiver's appointment.

Additionally, the Receiver has received creditor claim forms from the following:

- Alan S. MacKenzie, Jr. has submitted a creditor claim form for \$100,000.00, purportedly owned in connection with a settlement.
- Joshua Parker has submitted a creditor claim form for \$100,000.00, purportedly owned in connection with a settlement.
- Thomas J. McCabe, Esq. has submitted a creditor claim form for \$37,620.50 in attorney's fees purportedly owed by CV Brokerage, Inc., in connection with services allegedly performed from June 6, 2019 through September 19, 2019.
- Joseph Coleman & Associates, LLC d/b/a Coleman & Quigley, LLC has submitted creditor claim forms for \$28,236.90 for legal fees they assert were incurred in connection with two Colorado lawsuits.
- Instinet LLC has submitted a creditor claim in the amount of \$375,929.18, plus fees, interest and penalties for purported services provided to or for the benefit of CV Brokerage.
- CMCC has submitted a creditor claim asserting \$7.9 million in damages.
- ICBCFS has submitted a creditor claim asserting indemnity claims in the amount of not less than \$1,429,174.00 purportedly incurred in connection with the defense of claims asserted against ICBCFS relating CV Brokerage.
- Southern Minerals Group, LLC ("SMG") has submitted a creditor claim for nearly \$22 million, exclusive of pre- and post-judgment interest, in connection with an arbitration award obtained against CV Investments LLC in connection with its purported breach of a Magnetite Concentrates Purchase and Sale Agreement ("PSA").
- Jeffrey Bydalek has submitted a creditor claim in the amount of at least \$11,296,817.80, claiming he is entitled to certain purported

contractual payments owed, legal fees, purportedly converted funds, and compensation for the Receiver's sale of the Palantir stock.

- Richard Galvin, on behalf of Galvin Investment Company, has submitted a creditor claim seeking in excess of \$50 million in damages in connection with Smith's/CV Investment's purported interference with an agreement with SMG for the purchase of magnetite concentrates. These claims are also included in the counterclaims asserted by Galvin Investment Company in the lawsuit filed against Richard Galvin, Galvin Investment Company, and various related entities.
- Prophecy Alpha Fund, LP has submitted a creditor claim of approximately \$185,000.00, asserting ownership of the balance of funds in the frozen Prophecy Alpha Fund, LP account designated as a Receivership Asset and recovered by the Receiver.
- Prophecy Trading Advisors Master Fund, LP and Prophecy Trading Advisors, LP have submitted a creditor claim of approximately \$1.8 million for unpaid advisory fees for services purportedly provided by a sub-advisor of Prophecy Trading Advisors Master Fund, LP.

The following additional individuals or entities have filed claims or lawsuits against the Receiver, but have not submitted a creditor claim form:

- Vivian Williams filed an action against Brenda Smith, CV Fund Partners LLC, CV Special Opportunity Fund LP, and George Heckler in the Court of Common Pleas of Montgomery County in the matter captioned *Williams v. Smith, et al.*, No. 2020-11338. The Court was notified of the stay, and Ms. Williams ultimately entered into a consent judgment with George Heckler only.
- A complaint was filed against Brenda Smith in the Montgomery County Court of Common Pleas on December 28, 2020, in the matter of *Bank of America v. Smith*, No. 2020-21298. The Receiver has twice advised Bank of America's attorney of the litigation stay.



- The Receiver is aware of a pending FINRA arbitration captioned *Alpha Capital Trading Group, LLC v. CV Brokerage, Inc. et al.*, (FINRA Arbitration No. 19-03157). This matter has been stayed.

### **VIII. STATUS OF CREDITOR CLAIMS PROCEEDINGS**

The Receiver filed a Motion for Order Setting Claims Bar Date, Establishing Claims Procedure and Approving Notification Process on January 14, 2022. (ECF No. 160). The Motion was granted on February 22, 2022. (ECF No. 168). The Receiver provided notice to investors and known creditors in accordance with the terms of that Order. The claims bar date of April 25, 2022 has now passed, and the Receiver and his Accountants are in the process of evaluating all submissions.

### **IX. RECEIVER'S RECOMMENDATIONS FOR CONTINUATION OR DISCONTINUATION OF THE RECEIVERSHIP**

Given the ongoing nature of his investigation, the collectible assets still outstanding, the pursuit of litigation on behalf of the Estate, the claims asserted by the Internal Revenue Service, the pendency of the Creditor Claims Proceedings and need for those to conclude before proposing a distribution methodology or specific distributions, the Receiver does not have a projected date by which he expects the Receivership to close.

### **X. CONCLUSION**

The Receiver, Kevin Dooley Kent, hereby respectfully submits this Seventh Quarterly Status Report for the Court's review and consideration. The Receiver

anticipates providing additional informational updates in subsequent quarterly status reports, as additional assets and/or liabilities are identified.

Respectfully Submitted,

Date: 5/2/2022

s/ Robin S. Weiss  
Robin S. Weiss, Esq.  
Conrad O'Brien PC  
1500 Market Street, Suite 3900  
Centre Square, West Tower  
Philadelphia, PA 19102  
Phone: (215) 864-9600  
Facsimile: (215) 864-9620  
E-mail: rweiss@conradobrien.com

Andrew S. Gallinaro, Esq.  
Conrad O'Brien PC  
1500 Market Street, Suite 3900  
Centre Square, West Tower  
Philadelphia, PA 19102  
Phone: (215) 864-8083  
Facsimile: (215) 864-7403  
E-mail: agallinaro@conradobrien.com

# **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 01/01/2022 TO 03/31/2022

**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 01/01/2022 TO 03/31/2022

FUND ACCOUNTING (See Instructions):		Current Reporting Period - 01/01/22 to 03/31/22			06/29/20 - 03/31/22
		Detail	Subtotal	Period Total	Case to Date
Line 1	<b>Beginning Balance (As of 01/01/22)</b>			\$ 6,550,296.12	\$ -
	<b>Increases in Fund Balance:</b>				
Line 2	Business Income			-	-
Line 3	Cash and Securities			-	8,027,623.19 [1]
Line 4	Interest/Dividend Income			-	5.67
Line 5	Business Asset Liquidation			-	700.00
Line 6	Personal Asset Liquidation			355,776.00	521,518.02
Line 7	Third-Party Litigation Income			291,251.51	396,251.51
Line 8	Miscellaneous - Other			-	-
	<b>Total Funds Available (Lines 1 – 8):</b>			<b>\$ 7,197,323.63</b>	<b>\$ 8,946,098.39</b>
	<b>Decreases in Fund Balance:</b>				
Line 9	Disbursements to Investors/Claimants			-	258,776.99 [1]
Line 10	<b>Disbursements for Receivership Operations</b>			314,336.42	1,804,334.19
Line 10a	Disbursements to Receiver or Other Professionals			289,088.86	
Line 10b	Business Asset Expenses			183.51	
Line 10c	Personal Asset Expenses			25,006.02	
Line 10d	Investment Expenses			58.03	
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			-	
	<b>Total Disbursements for Receivership Operations</b>			<b>\$ 314,336.42</b>	<b>\$ 2,063,111.18</b>
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			12,210.00	12,210.00
Line 11a	Distribution Plan Development Expenses:				
	1. Fees:				
	Fund Administrator			-	
	Independent Distribution Consultant (IDC)			-	
	Distribution Agent			-	
	Consultants			-	
	Legal Advisers			-	
	Tax Advisers			-	
	2. Administrative Expenses			12,210.00	
	3. Miscellaneous			-	
	Total Plan Development Expenses			12,210.00	
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			-	
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			<b>\$ 12,210.00</b>	12,210.00
Line 12	<b>Disbursements to Court/Other:</b>			-	-
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			-	-
Line 12b	Federal Tax Payments			-	-
	<b>Total Disbursements to Court/Other</b>			<b>\$ -</b>	<b>-</b>
	<b>Total Funds Disbursed (Lines 9 – 11):</b>			<b>\$ 326,546.42</b>	<b>\$ 2,075,321.18</b>
Line 13	<b>Ending Balance (As of 03/31/22):</b>			<b>\$ 6,870,777.21</b>	<b>\$ 6,870,777.21</b>
Line 14	<b>Ending Balance of Fund – Net Assets:</b>				
Line 14a	Cash & Cash Equivalents			6,870,777.21	6,870,777.21
Line 14b	Investments			-	-
Line 14c	Other Assets or Uncleared Funds			-	-
	<b>Total Ending Balance of Fund – Net Assets</b>			<b>\$ 6,870,777.21</b>	<b>\$ 6,870,777.21</b>

**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 01/01/2022 TO 03/31/2022

OTHER SUPPLEMENTAL INFORMATION:		Current Reporting Period - 01/01/22 to 03/31/22			06/29/20 - 03/31/22
		Detail	Subtotal	Period Total	Case to Date
<b>Line 15</b>	<b>Report of Items NOT To Be Paid by the Fund:</b>				
	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			\$ -	\$ -
<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			-	
	<b>Total Plan Development Expenses Not Paid by the Fund</b>			\$ -	
<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			-	
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>			\$ -	
<i>Line 15c</i>	<i>Tax Administrator Fees &amp; Bonds Not Paid by the Fund</i>			-	
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-	-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>			-	-
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>			-	
<i>Line 16b</i>	<i>Federal Tax Payments</i>			-	
	<b>Total Disbursements to Court/Other Not Paid by the Fund:</b>			-	-
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			\$ -	\$ -
<b>Line 18</b>	<b>No. of Claims:</b>				
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>				20 [2]
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>				20 [2]
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>				
<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>				1 [1]

**Notes**

[1] In accordance with the Motion of Receiver, Kevin D. Kent, Esquire, to Approve a Settlement Resolving the Receiver's April 9, 2021 Motion to Determine Ownership of Taylor Trading, LLC Account (ECF No. 130) ("Taylor Trading Motion") and the Order Confirming Ownership of Taylor Trading, LLC Account Proceedings (ECF No. 134), the Receiver arranged for the transfer of 50% of the balance of the Taylor Trading, LLC bank account maintained with PNC Bank ("Taylor Trading Account") to investor Surefire Dividend Capture, LP ("Surefire") on November 19, 2021. Surefire had filed claims against, *inter alia*, Scott Koppenheffer in a lawsuit it filed in the Eastern District of Pennsylvania captioned *Surefire Dividend Capture, LP v. Smith et al.*, No. 2:19-cv-04088 (E.D. Pa.) (the "Surefire Action"). Surefire agreed to resolve its claims against Mr. Koppenheffer in exchange for, *inter alia*, an assignment of Mr. Koppenheffer's rights (if any) to the Taylor Trading Account. The Receiver and Surefire then agreed to resolve the Taylor Trading Motion by splitting the balance in the Taylor Trading Account, which amount will be deducted from any future distribution made by the Receiver to Surefire. This settlement resulted in a meaningful recovery for the Receivership Estate while eliminating the risk and cost of litigating the issue of account ownership with Mr. Koppenheffer and/or Surefire.

[2] The Receiver received 17 Investor Creditor claims and 3 Trade Creditor claims during this reporting period.

**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 01/01/2022 TO 03/31/2022

Receiver:

By: Kevin Dooley Kent  
(signature)

Kevin Dooley Kent  
(printed name)

Receiver  
(title)

Date: 4/28/22

## **NOTES TO THE STANDARDIZED FUND ACCOUNTING REPORT**

### **Receivership Cash Accounts**

As of March 31, 2022, the Receiver's cash balance of \$6,870,777.21 was maintained in a checking account at Bank of America.

### **Investments, Real and Personal Property**

As described more fully in the Receiver's Seventh Quarterly Status Report, the Receiver is in the process of identifying and liquidating all the investments, real and personal property of the Receivership Parties.

In addition to the transactions reflected within the Standardized Fund Accounting Report, the Receiver recovered a \$19,000 distribution related to Brenda Smith's personal investment in OTAF LLC on April 8, 2022, and anticipates recovering additional future distributions.

Lastly, the Receivership has an interest in two parcels in Tangipahoa Parish, Louisiana, owned by BD of Louisiana, LLC ("BD of Louisiana Property"). The BD of Louisiana Property is currently listed for sale for \$599,000 and is subject to a mortgage with an outstanding principal balance of approximately \$345,000.



**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 2<sup>nd</sup> day of May, 2022, that I caused to be served a true and correct copy of the Receiver Kevin Dooley Kent's Seventh Quarterly Status Report, upon Plaintiff, Securities and Exchange Commission, through counsel of record, and upon counsel of record for all other parties, 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 Dooley Kent,  
Esq.