

**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)

Motion Day: May 20, 2024

**NOTICE OF MOTION OF RECEIVER, KEVIN DOOLEY KENT, FOR
APPROVAL OF FOURTEENTH INTERIM FEE APPLICATION FOR THE
PERIOD OCTOBER 1, 2023 THROUGH DECEMBER 31, 2023**

PLEASE TAKE NOTICE that the undersigned, on behalf of the Receiver, Kevin Dooley Kent, 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 May 20, 2024, 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 Fourteenth Interim Fee Application for the Period October 1, 2023 through December 31, 2023.

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: 4/26/2024

s/ Robin S. Weiss

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**RECEIVER, KEVIN DOOLEY KENT'S FOURTEENTH INTERIM FEE
APPLICATION, FOR THE PERIOD OCTOBER 1, 2023
THROUGH DECEMBER 31, 2023**

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Dated: 4/26/2024

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Pursuant to the Court's Order Appointing Receiver dated June 29, 2020, Kevin Dooley Kent, Receiver, hereby submits this Fourteenth Interim Fee Application for the Period October 1, 2023 through December 31, 2023, and moves for approval of payment of fees and expenses invoiced by the Receiver, the Receiver's Counsel (Clark Hill PLC) and the Court-appointed accountant to the Receiver, Alvarez & Marsal Disputes and Investigations, LLC ("the Application").

The balance in the Receivership Accounts as of the close of the fourteenth quarter was \$8,021,114.37. The Receiver and his Counsel continue to focus their efforts on preserving, locating and maximizing Receivership Assets, pursuing claims informally and through litigation, and evaluating, negotiating and managing claims asserted against the Receivership Estate. The Receiver's Accountants continue to provide forensic support as needed in connection with the pursuit of affirmative claims, including serving as the Receiver's expert witness when appropriate, assist with quantifying and evaluating claims asserted against the Estate, manage the document repository, perform tax-related services for the Receivership, and support the Receiver in his negotiations with the IRS.

This interim fee application focuses on developments during the fourteenth quarter of the Receivership. The Receiver incorporates by reference his prior interim fee applications with respect to events that took place in prior quarters.

I. BACKGROUND

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 over \$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.). Smith was sentenced to 109 months in prison on May 4, 2022.

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 the Receivership Parties¹ (hereinafter “Receivership Assets” or “Receivership Estate”). Receivership Order, Whereas ¶ 3; ¶¶ 1–3, 5 (ECF No. 22). The Receivership Order

¹ The Receivership Parties include 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, Investment Consulting LLC, and Tempo Resources LLC.

authorized the Receiver to retain the law firm of Conrad O’Brien PC—now Clark Hill PLC (“Clark Hill” or “Law Firm”)² and Alvarez & Marsal Disputes and Investigations, LLC (“Alvarez” or “Accountant”) as his counsel and accountant, respectively (collectively “Retained Personnel”). *Id.*, ¶ 71.

The Receivership Order 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:

Receiver

| Name | Rate |
|-------------------|-------------|
| Kevin Dooley Kent | \$510.00 |

The Law Firm

| Name/Position | Rate |
|----------------------------------------------|---------------------|
| Robin S. Weiss, Senior Attorney ³ | \$365.00 |
| Associate | \$240.00 - \$330.00 |
| Paraprofessional | \$165.00 |

The Accountant

| Name/Position | Rate |
|-------------------------------------|-------------|
| Michael Shanahan, Managing Director | \$550.00 |

² On January 17, 2023, the Court entered an order authorizing the Receiver to change his retained Law Firm to Clark Hill in light of his counsel’s February 1, 2023 move to Clark Hill. (ECF Nos. 219, 223).

³ The Receivership Order was amended by Order dated August 11, 2023, which replaced Andrew S. Gallinaro with Robin S. Weiss as lead counsel for the Receiver, at a rate of \$365.00 per hour. (ECF No. 266).

| | |
|-----------------------------------|---------------------|
| Managing Director/Senior Director | \$550.00 - \$725.00 |
| Directors/Managers | \$425.00 - \$525.00 |
| Sr. Associates/Associates | \$275.00 - \$375.00 |

Id., ¶¶ 79-83. Other than the increase associated with Robin Weiss' appointment as lead counsel to the rate applicable to prior lead counsel (Andrew S. Gallinaro), the Receiver, Law Firm and Accountant have not sought increases in these hourly rates since their appointment three and a half years ago, but anticipate seeking approval for a rate increase in the near future. The Receiver has already raised the potential increase with the SEC.

Pursuant to the Receivership Order and the U.S. Securities and Exchange Commission's Billing Instructions for Receivers ("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.⁴ *Id.*, ¶¶ 75, 81, 84.

⁴ 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 Receivership. Although Interim Fee Applications are subject to a twenty percent (20%) holdback, "[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." *Id.*, ¶¶ 74-75.

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

This is the fourteenth interim application for approval of fees and expenses of the Receiver and his Retained Professionals. A summary of the prior interim fee applications is as follows:

| | Total Fees | Fees Requested ⁵ | Total Expenses | Expenses Requested ⁶ | Status |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------|----------------|---------------------------------|-----------------------------------|
| First Interim Fee Application for the Period June 29, 2020 through September 30, 2020 (ECF No. 43), Filed November 13, 2020 | | | | | |
| COB⁷ | \$171,760.80 | \$137,408.64 | \$12,434.25 | \$9,947.40 | Approved 4/5/21 (ECF No. 70) |
| Accountant | \$43,577.50 | \$34,862.00 | \$0.00 | \$0.00 | |
| Second Interim Fee Application for the Period October 1, 2020 through December 31, 2020 (ECF No. 50), Filed February 12, 2021 | | | | | |
| COB | \$101,076.50 | \$80,861.20 | \$441.58 | \$353.26 | Approved 7/6/21 (ECF No. 103) |
| Accountant | \$155,977.50 | \$124,782.00 | \$170.00 | \$136.00 | |
| Third Interim Fee Application for the Period January 1, 2021 through March 31, 2021 (ECF No. 88), Filed May 28, 2021 | | | | | |
| COB | \$210,921.00 | \$168,736.80 | \$510.87 | \$408.70 | Approved 7/6/21 (ECF No. 104) |
| Accountant | \$454,867.50 | \$363,894.00 | \$3,280.70 | \$2,624.56 | |
| Fourth Interim Fee Application for the Period April 1, 2021 through June 30, 2021 (ECF No. 112), Filed August 16, 2021 | | | | | |
| COB | \$230,164.50 | \$184,131.60 | \$7,431.85 | \$5,945.48 | Approved 9/10/21 (ECF No. 121) |
| Accountant | \$396,202.50 | \$316,962.00 | \$4,574.34 | \$3,659.47 | |
| Fifth Interim Fee Application for the Period July 1, 2021 through September 30, 2021 (ECF No. 137), Filed November 24, 2021 | | | | | |
| COB | \$170,406.50 | \$136,325.20 | \$551.38 | \$441.10 | Approved 2/22/22 (ECF No. 166) |
| Accountant | \$184,725.00 | \$147,780.00 | \$5,126.90 | \$4,101.52 | |

⁵ This represents eighty percent (80%) of the total fees.

⁶ This represents eighty percent (80%) of the total expenses.

⁷ The abbreviation "COB" refers to Conrad O'Brien.

| Sixth Interim Fee Application for the Period October 1, 2021 through December 31, 2021 (ECF No. 174), Filed March 17, 2022 | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|------------|------------|-----------------------------------|
| COB | \$174,076.00 | \$139,260.80 | \$716.30 | \$573.04 | Approved 5/5/22 (ECF No. 193) |
| Accountant | \$239,300.00 | \$191,440.00 | \$3,236.60 | \$2,589.28 | |
| Seventh Interim Fee Application for the Period January 1, 2022 through March 31, 2022 (ECF No. 197), Filed June 2, 2022 | | | | | |
| COB | \$152,256.00 | \$121,804.80 | \$1,401.86 | \$1,121.49 | Approved 6/15/22 (ECF No. 199) |
| Accountant | \$142,877.50 | \$114,302.00 | \$3,415.70 | \$2,732.56 | |
| Eighth Interim Fee Application for the Period April 1, 2022 through June 30, 2022 (ECF No. 209), Filed October 17, 2022 | | | | | |
| COB | \$115,067.50 | \$92,054.00 | \$867.81 | \$694.25 | Approved 1/5/23 (ECF No. 217) |
| Advertising Expenses On Behalf of Estate⁸ | | | \$6,119.78 | \$6,119.78 | |
| Accountant | \$73,652.50 | \$58,922.00 | \$2,135.40 | \$1,708.32 | |
| Ninth Interim Fee Application for the Period July 1, 2022 through September 30, 2022 (ECF No. 119), Filed February 8, 2023 | | | | | |
| COB | \$53,462.00 | \$42,769.60 | \$408.15 | \$326.52 | Approved 4/27/23 (ECF No. 243) |
| Accountant | \$47,600.00 | \$38,080.00 | \$2,947.60 | \$2,358.08 | |
| Tenth Interim Fee Application for the Period October 1, 2022 through December 31, 2022 (ECF No. 247), Filed May 16, 2023 | | | | | |
| Receiver | \$16,371.00 | \$13,096.80 | \$25.71 | \$20.57 | Approved 6/15/23 (ECF No. 250) |
| COB | \$44,164.00 | \$35,331.20 | \$177.21 | \$141.77 | |
| Accountant | \$76,845.00 | \$61,476.00 | \$1,955.50 | \$1,564.40 | |
| Eleventh Interim Fee Application for the Period January 1, 2023 through March 31, 2023 (ECF No. 251), Filed July 6, 2023 | | | | | |
| Receiver | \$11,373.00 | \$9,098.40 | \$0.00 | \$0.00 | Approved 11/2/23 (ECF No. 277) |
| COB | \$21,399.00 | \$17,119.20 | \$64.00 | \$51.20 | |
| CH⁹ | \$21,797.00 | \$17,437.60 | \$0.00 | \$0.00 | |
| Accountant | \$72,020.00 | \$57,616.00 | \$1,735.20 | \$1,388.16 | |
| Twelfth Interim Fee Application for the Period April 1, 2023 through June 30, 2023 (ECF No. 268), Filed September 19, 2023 | | | | | |
| Receiver | \$8,568.00 | \$6,854.40 | \$0.00 | \$0.00 | Approved 11/2/23 (ECF No. 278) |
| CH | \$51,197.50 | \$40,958.00 | \$374.01 | \$299.21 | |
| Accountant | \$59,865.00 | \$47,892.00 | \$2,294.90 | \$1,835.92 | |

⁸ These represent reimbursement to Conrad O'Brien at a rate of 100% for Estate-related advertising expenses relating to publication of the Notice of Claims Procedure Bar Date in various states.

⁹ The abbreviation "CH" refers to Clark Hill PLC.

| Thirteenth Interim Fee Application for the Period July 1, 2023 through September 30, 2023 (ECF No. 285), Filed January 23, 2024 | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|------------|------------|-----------------------------------|
| Receiver | \$13,821.00 | \$11,056.80 | \$0.00 | \$0.00 | Approved 2/9/24 (ECF No. 301). |
| CH | \$69,213.00 | \$55,370.40 | \$86.50 | \$69.20 | |
| Accountant | \$184,987.50 | \$147,990.00 | \$2,853.90 | \$2,283.12 | |

II. CASE STATUS

Now that a ruling has been entered on the Receiver's First Omnibus Motion for Order Resolving Disputed Non-Investor Claims, which has provided more certainty with respect to at least certain of the claims, the Receiver is beginning his preparations to submit a proposed distribution model and interim distribution motion for the Court's consideration. Although a resolution with the IRS may be warranted in order to finalize a distribution model, the Receiver and the IRS have been in active negotiations regarding the IRS' claim, and the Receiver anticipates submitting a proposed settlement with the IRS for the Court's approval in the near future.

A more detailed discussion regarding the current status of the Receivership follows.

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

As of December 31, 2023, total cash on hand was \$8,021,114.37. The Receiver brought in \$500,000.00 in settlement proceeds, an additional \$179.06 in distributions from OTAF (Holgate), and \$54,156.27 in interest earnings on the WSFS savings account during the fourteenth quarter.

The Receiver anticipates that his ongoing pursuit of claims and litigation will result in financial benefit for the Receivership Estate through settlements or judgments. Additionally, \$444,213.08 (plus any accrued interest) remains held in two Industrial and Commercial Bank of China Financial Services (“ICBC”) clearing accounts for CV Brokerage.¹⁰

Administrative expenses paid during this quarter total \$307,132.09 and include (a) \$358.50 in WSFS bank maintenance fees; (b) \$32.00 in WSFS bank fees for incoming wires; (c) \$211.08 for property taxes paid to the Tangipahoa Parish Sheriff’s Office for 2023; (d) \$102,710.56 in professional fees and expense reimbursement to the Receiver, his Counsel and Accountant pursuant to this Court’s November 2, 2023 Order Approving the Receiver’s Eleventh Interim Fee Application (ECF No. 277); (e) \$97,839.53 in professional fees and expense reimbursement to the Receiver, his Counsel and Accountant pursuant to this court’s November 2, 2023 Order Approving the Receiver’s Twelfth Interim Fee Application (ECF No. 278); (f) \$101,013.42 in professional fees and expense reimbursement to the Receiver’s counsel earned in connection with ancillary litigation subject to the contingency fee agreement approved by the Court through its Order Approving the

¹⁰ These funds are being held pursuant to the Stipulation to Resolve ICBCFS’ Motion to Amend the Amended Order Appointing Receiver (ECF No. 30) and are the subject of a disputed creditor claim asserted by ICBCFS, which is addressed in the First Omnibus Claims Motion described herein.

Receiver's Second and Third Motions for Permission to Initiate Litigation on Behalf of the Receivership Estate, (ECF Nos. 161, 167), which attorneys' fees and expenses were deducted pursuant to Orders approving the Receiver's settlement in those cases; and (g) \$4,967.00 in professional fees for an attorney engaged by the Receiver as Retained Personnel to investigate an insurance coverage issue on behalf of the Receivership Estate, pursuant to Paragraphs 57 and 71 of the Receivership Order.

For further detail, the Receiver has attached the Standardized Fund Accounting Report ("SFAR") for the fourteenth quarter as Exhibit "A" to this Application.

B. Administration of Case to Date

1. Litigation-Related Activities

The Receiver filed thirteen lawsuits during prior quarters. Four (4) of those lawsuits have been settled and closed:

- 1) ***Kevin D. Kent, in his capacity as Receiver v. Medical Consultants Instructional Training Center, et al., No. 2:21-cv-13104 (D.N.J.):***
This case was closed following the Court's approval of the settlement on August 4, 2022. (ECF No. 28). However, the defendants have not satisfied all of their payment obligations under the Settlement Agreement, and two of the defendants have filed for bankruptcy protection. The Receiver submitted a claim on behalf of the Receivership Estate in the bankruptcy action filed by Medical Construction Industrial Training Center, LLC in the District of New Jersey on June 28, 2023. The Receiver also submitted a claim on behalf of the Receivership Estate in the bankruptcy action filed by Carol Johnston in the District of New Jersey on August 24, 2023. Those bankruptcy proceedings are ongoing.

- 2) ***Kevin Dooley Kent, in his capacity as Receiver v. Larry Hooper, et al., No 2:22-cv-01876 (D.N.J.):*** This case was closed following the Court's approval of the settlement on August 29, 2022. (ECF No. 15).
- 3) ***Kevin Dooley Kent, in his capacity as Receiver v. Jeffrey Bydalek, et al., No 2:22-cv-01811 (D.N.J.):*** This case was dismissed on January 30, 2013 (ECF No. 39), following the Court's approval of the settlement on January 20, 2023. (ECF No. 35).
- 4) ***Kevin Dooley Kent, in his capacity as Receiver v. Richard Shawn Ellis, et al., No. 2:21-cv-20754 (D.N.J.):*** This case was dismissed on November 14, 2023 (ECF No. 81), following the Court's approval of the settlement on November 2, 2023. (ECF No. 78).¹¹

Another lawsuit has been closed following the entry of a default judgment:

- 5) ***Kevin Dooley Kent, in his capacity as Receiver v. Edward C. Britton, et al., No. 2:22-cv-02845 (D.N.J.):*** The Receiver obtained a default judgment against the defendants on August 16, 2023. (ECF No. 8). The Receiver filed a request for the award of pre- and post-judgment interest on September 15, 2023. (ECF No. 10). On October 4, 2023, the Court entered an amended default judgment award against the defendants in the amount of \$1,739,863.50, inclusive of the principal sum of \$1,129,845.50, plus pre- and post-judgment interest, and closed the case. (ECF No. 11). The Receiver is in the process of exploring options for executing and/or selling the judgment.

The status of the remaining eight (8) lawsuits is as follows:

- 6) ***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 produced the expert reports of his Accountant and a certified forensic document examiner on December 29, 2023.
- 7) ***Kevin D. Kent, in his capacity as Receiver v. Richard C. Galvin, et al., No. 2:21-cv-13105 (D.N.J.):*** The parties are in the process of

¹¹ The Order approving the settlement was signed on October 30, 2023, but docketed on November 2, 2023.

negotiating a settlement. If a settlement cannot be reached, the parties will need to continue to proceed with fact discovery.

- 8) ***Kevin Dooley Kent, in his capacity as Receiver v. Agostinho Calcada, No. 2:21-cv-18396 (D.N.J.):*** The Court granted the Receiver's Motion for Summary Judgment on April 25, 2024. (ECF No. 55).
- 9) ***Kevin Dooley Kent, in his capacity as Receiver v. Renato Iregui, et al., No. 2:21-cv-20691 (D.N.J.):*** The Receiver produced the expert report of his Accountant on September 22, 2023. A settlement conference took place on January 22, 2024. The Receiver reached a settlement with Kelly Lynn Ulmer at the settlement conference, and filed a Motion to Approve the Settlement on February 16, 2024. (ECF No. 63). The settlement was approved on April 4, 2024. (ECF No. 72). Meanwhile, the claims against the remaining defendants are proceeding.
- 10) ***Kevin Dooley Kent, in his capacity as Receiver v. Jordan Denise, et al., No. 2:22-cv-00388 (D.N.J.):*** The Receiver filed a Motion for Sanctions against Jordan Denise on December 6, 2023, for her failure to appear for deposition. (ECF No. 64). Ms. Denise filed a Response in Opposition on January 9, 2024. (ECF No. 68). The Receiver filed a Reply Brief on January 16, 2024. (ECF No. 73). A hearing on the Receiver's Motion took place on January 23, 2024. The Court entered an order that same date, providing that Ms. Denise is barred from testifying at trial and submitting a declaration in opposition to the Receiver's anticipated motion for summary judgment. (ECF No. 75). Meanwhile, the parties are now proceeding with expert discovery.
- 11) ***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.):*** Fact discovery concluded on November 15, 2023. The Receiver produced the expert report of his Accountant on November 27, 2023. Surefire produced the expert report of a fund administration expert that same day. Nottingham produced a rebuttal fund administration expert report on January 5, 2024. The fund administration experts were deposed on February 1, 2024 and February 9, 2024, respectively. Defendants filed a Motion for Summary Judgment (ECF No. 196) and the Receiver filed a Cross-Motion for Partial Summary Judgment (ECF No. 195) on March 5, 2024. The Receiver (ECF No. 201) and Defendants (ECF No. 202) filed responses

in opposition to the cross-motions for summary judgment on March 19, 2024. The Receiver filed a Reply in Support of his Motion for Partial Summary Judgment on March 25, 2024. (ECF No. 204).

- 12) ***Kevin Dooley Kent, in his capacity as Receiver v. Ronald Hightower, et al., No. 2:22-cv-01195 (D.N.J.)***: The parties are proceeding with fact discovery.
- 13) ***Kevin Dooley Kent, in his capacity as Receiver v. Hector Valdes, et al., No. 2:23-cv-20475 (D.N.J.)***: The Receiver filed the Complaint on September 19, 2023. (ECF No. 1). Defendants filed an Answer to the Complaint on January 3, 2024. (ECF No. 14). The parties participated in an initial scheduling conference on February 23, 2024, and are now proceeding with fact discovery. Additionally, a status conference is scheduled for June 25, 2024.

2. Storage & Sale of Belongings and Data

In total, the Receiver has recovered \$14,188.20 in net proceeds from the sale of personal property through eighteen (18) auctions over the course of the Receivership, after payment of commissions and related expenses.¹² The Receiver does not currently possess any other marketable personal property.

The Receiver continues to hold professional equipment and the original books and records of the Receivership Parties. Brenda Smith arranged for the pick-up of personal, sentimental items without significant resale value on April 6, 2023.

¹² Gross sale proceeds to date total \$19,516.50, which are offset by commissions and other related expenses totaling \$5,328.30 to date.

3. Louisiana Property

Despite aggressive marketing efforts and numerous price reductions, including a reduction to \$495,000.00 on August 25, 2022, the Receiver was unable to secure a private buyer for the Louisiana property owned by BD of Louisiana, LLC (“the Property”) at a price which would satisfy the requirements of 28 U.S.C. § 2001(b) and cover the balance of the mortgage held by b1BANK. Accordingly, on June 30, 2023, the Receiver entered into a Creditor Agreement with b1BANK, authorizing it to initiate mortgage foreclosure proceedings against BD of Louisiana, LLC in Louisiana.

The basic terms of the Agreement are as follows:

- The Receiver was to file a motion in this action to lift the stay for the limited purpose of allowing b1BANK to proceed with an executory process (e.g., foreclosure) proceeding in Louisiana state court—specifically, the 21st Judicial District Court for the Parish of Tangipahoa.
- Following Louisiana’s requirements for executory process proceedings, b1BANK will remit payment of all fees, deposits, and commissions in connection with the foreclosure proceedings.
- B1BANK will have the discretion to determine whether to pursue a Sheriff’s sale with or without appraisal and will complete all necessary requirements if it decides to pursue an appraisal.
- B1BANK will credit bid up to a maximum bid of \$450,000.00, such that any third party who bids more than \$450,000.00 will be allowed to purchase the Property.
- If no competing bids are received, b1BANK may choose to defer the Sheriff’s sale to a second sale as provided by Louisiana law, provided that the same bidding limitations and requirements will apply.

- If a third party purchases the Property at the Sheriff's sale for not less than \$450,000.00, the net sale proceeds (after deduction of the Sheriff's commission, any outstanding property taxes, costs, and superior liens and encumbrances) will be allocated as follows:
 - \$395,000 to b1BANK;
 - Any sums over \$395,000 to the Receiver
- If b1BANK is the successful bidder at the Sheriff's sale and takes title to the property, it will use its commercially reasonable best efforts to sell the Property on the private market for not less than \$415,000. B1BANK will, at its sole discretion, select and engage a realtor and determine the listing price and terms and conditions of any sale.
- If a private purchase agreement is executed within six (6) months after b1BANK receives title, b1BANK will allocate the net sale proceeds (after reimbursement of the Sheriff's commission and costs, insurance and property taxes paid in the interim) in the same manner as with a Sheriff's sale, e.g., \$395,000 to b1BANK and the excess to the Receiver. Further, if the property is subject to any IRS lien, the six month period referenced herein will not begin until the IRS' right of redemption has expired.
- If, despite its commercially reasonable best efforts, b1BANK is unable to sell the property within 6 months after it receives title, it will no longer be obligated to share net proceeds with the Receiver.
- In no event will b1BANK pursue recovery of any deficiency amount from BD of Louisiana, the Receivership Estate, the Receiver, or Brenda Smith, and b1BANK waives any and all rights to recover from them any remaining balance owed under the Promissory Note after the sale of the Property.

Proceeding in this fashion is in the best interest of the Receivership Estate because (a) the Receiver has already exhausted his efforts to privately sell the Property pursuant to 28 U.S.C. § 2001(b), without success; (b) if the Receiver has to proceed with a public sale pursuant to Section 2001(a), the Receivership Estate will

be forced to incur additional upfront costs and run the risk of selling the Property for less than the mortgage balance; (c) the Property holds no beneficial purpose for the Receivership Estate and is only costing the Estate money in the form of administrative costs while interest on the mortgage continues to increase; (d) the proposed sale through the foreclosure process includes the potential that the Receivership Estate will make a recovery from the public sale; and (e) the arrangement will eliminate the risk that the Receivership Estate could owe any deficiency to b1BANK if the Property ultimately sells for less than the mortgage balance.

The Receiver filed a Motion to Permit b1BANK to Initiate Mortgage Foreclosure Proceedings and Proceed with the Public Sale of Real Property Owned by BD of Louisiana, LLC on July 18, 2023 (ECF No. 259). The Motion was granted on July 19, 2023. (ECF No. 260). B1Bank initiated executory proceedings on or about August 11, 2023.

B1 Bank elected to proceed for a Sheriff's sale without appraisal. The first Sheriff's sale took place on December 6, 2023, but there were no bidders. A second Sheriff's sale took place after the close of the quarter on February 21, 2024. B1BANK was the successful bidder at the second Sheriff's sale, having submitted a credit bid for approximately \$85,000.00. The Receiver will provide a further update

regarding the status of the BD of Louisiana Property in his next interim fee application.

Meanwhile, the Receiver paid property taxes for the Property for 2023.

4. Private Investments and Ownership Interests

The Receiver continues to attempt to resolve and/or liquidate Smith's potential interest in a gold mine as a result of payments made to Calais Management Corporation. If this interest cannot be liquidated or bought out to the Receiver's satisfaction, the Receiver may seek to initiate litigation against the entities involved in order to protect the interests of the Receivership Estate.

The Receiver received a \$179.06 distribution from OTAF (Holgate) LLC on October 17, 2023, bringing the total distributions received from Smith's \$100,000.00 investment to \$167,806.58 through the close of the fourteenth quarter. The Holgate Project is in the process of winding down, but it is anticipated that the Receiver may receive two additional distributions over the course of the next year.

5. Investigation of Overseas Bank Accounts

Aside from Cidel Bank & Trust Inc. ("Cidel Bank"), the overseas banks to which the Receiver sent Brenda Smith's signed consent directive have failed to respond to the Receiver's communications and document requests. However, Cidel Bank returned the funds held in that overseas account to the Receiver during the thirteenth quarter.

6. Investigation, Development, Pursuit and Settlement of Claims

The Receiver has filed a total of thirteen (13) lawsuits on behalf of the Receivership Estate so far, and has issued demands and/or continues to negotiate with several others. The Receiver anticipates filing additional lawsuits in the near future if those additional claims cannot be resolved.

In total, ten (10) pre-litigation settlements and four (4) litigation settlements have been reached as of December 31, 2023, valued at over \$4.7 million. The Receivership Estate received \$500,000.00 of those settlement funds in December 2023. Based on existing settlements with extended payout schedules, the Receiver anticipates bringing in an additional \$1,850,000.00 in settlement funds through December 2025.¹³

7. 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 remain available to the Receiver to assist with the Receivership claims process.

¹³ These amounts are subject to certain prepayment discounts if the funds are delivered earlier than anticipated.

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 and pursue litigation against various individuals and entities on behalf of the Receivership Estate. The Accountants are available to the Receiver to provide assistance with specific issues that may arise in connection with certain claims and/or lawsuits the Receiver is pursuing, and to provide necessary litigation and/or expert support. The Accountants have already issued four (4) expert reports in connection with the Receiver's ancillary litigation so far—two of which were issued during the fourteenth quarter, and completed a detailed insolvency analysis for certain Receivership Parties in connection therewith.

8. Unclaimed Property

The Receiver submitted claims with the Unclaimed Property Division of the Pennsylvania Treasury Department for CV Brokerage, Inc. and BA Smith & Associates LLC on December 22, 2023. Likewise, the Receiver submitted a claim with the Michigan Department of Treasury for unclaimed property of CV Brokerage, Inc. on December 28, 2023. Finally, the Receiver submitted a claim with the New Jersey Unclaimed Property Administration for unclaimed property of CV Brokerage, Inc. on February 2, 2024. The Receiver will provide a further update once final determinations are made as to these claims.

9. Receivership Taxes

The Receiver is in the process of negotiating with the Internal Revenue Service regarding the \$1.3 million minimum claim it has asserted against the Receivership Estate. Meanwhile, Alvarez and Marsal continues to provide tax-related services to the Receivership Estate, and prepared and submitted an Income Tax Return (Form 1120-SF) for the Receivership Estate for calendar year 2022 in October 2023. They will also be preparing a plan for the ultimate dissolution of most, if not all, of the Receivership Parties.

10. Anticipated Closure of Case

Given the Receiver's continued investigation and pursuit of litigation, the claims asserted by the IRS, the pendency of the Creditor Claims Proceedings and need for those to conclude before any distribution can be proposed and order of preference adjudicated, and the extended payout schedules associated with certain settlement agreements, the Receiver does not have a projected date by which he expects the Receivership to close.

C. Summary of Creditor Claims Proceedings

Following the Receiver's efforts to meet and confer with the non-investor creditors whose claims were challenged in the First Omnibus Motion, the Court held a hearing on the First Omnibus Motion on March 13, 2024. Following the hearing,

the Court entered an Order on the First Omnibus Motion on March 28, 2024 (ECF No. 305), granting it in part and denying it in part.

The total amount of claims asserted against the Receivership Estate as of the close of the fifteenth quarter is now \$127,804,638.17. The total amount of confirmed Investor Creditor claims remains at \$54,773,769.53. The total amount of confirmed Non-Investor Creditor claims remains at \$773,549.68.¹⁴ The total amount of disputed Investor Creditor claims remains at \$14,300,000.00, with another \$300,000.00 claim only conditionally approved. However, the total amount of disputed Non-Investor Creditor claims has been reduced to \$57,657,318.96.¹⁵

¹⁴ This is increased from the \$613,549.68 reported in the First Omnibus Motion, as a result of the resolution of the SMG claim. The SMG claim has now been confirmed in the amount of \$160,000.00. (ECF No. 305).

¹⁵ The claims of the Estate of William McCormack (\$1,336,307.95), Scott Koppenheffer (\$141,052.56), and CMCC Development Group, LLC (\$7,900,000.00) have been withdrawn. (ECF No. 305). The remaining disputed Non-Investor Creditor claims include the following:

- A \$250,000.00 claim asserted by Alpha Capital Trading Group LLC (“Alpha Capital”), which has been denied without prejudice. Alpha Capital is being given the opportunity to submit additional evidence in support of its claim, while both parties may raise arguments regarding the validity, amount, creditor status, and priority of this claim in the future. (ECF No. 305).
- Liquidated and unliquidated indemnification claims asserted by Industrial and Commercial Bank of China Financial Services LLC (“ICBCFS”), totaling \$4,084,752.28 as of March 12, 2014, which is increased from the \$1,429,174.00 submitted in ICBCFS’ original claim submission. The Receiver’s First Omnibus Motion as to this claim was

The Receiver is hopeful that once he finalizes the terms of his settlements with the IRS and GIC/Galvin (subject to the Court’s approval)—which he anticipates will happen in the near future—he will be able to prepare and submit a proposed distribution model and interim distribution motion for the Court’s consideration.

D. Receivership Assets

1. Receivership Bank Accounts

As of the close of fourteenth quarter on December 31, 2023, the balance in the Receivership Accounts was \$8,021,114.37, broken down as follows:

denied without prejudice as premature, and the parties may raise arguments regarding the validity, amount, reasonableness, creditor status, and priority of the ICBCFS claims in the future. (ECF No. 305).

- A \$50,000,000.00 claim asserted by Richard Galvin/Galvin Investment Company, LLC (“GIC”). The Receiver is in active settlement negotiations with these claimants in connection with the Receiver’s affirmative claims asserted in the Kent v. Galvin Matter and the creditor claim asserted by Galvin/GIC against the Receivership Estate. If the creditor claim cannot be resolved by settlement, the Receiver will re-file his motion as to this claim. (ECF No. 305).
- A \$1,331,807.00 claim asserted by the Internal Revenue Service (“IRS”). The IRS has to date declined to formally participate in the claims process. The Receiver is working separately with the IRS in an effort to resolve its claims, and will submit that proposed resolution to the Court at the appropriate time. (ECF No. 305).
- \$1,990,759.68 in claims asserted by two related entities which are also associated with the remaining disputed investor claim. These claims may be the subject of a second, future omnibus motion if they cannot be resolved.

\$7,450,261.71 in the WSFS Trust/Savings Account, \$326,888.67 in the WSFS Checking Account, and \$243,963.99 in the Bank of America Account.

2. Settlements

The Receiver reached a settlement in a litigation matter he filed against Richard Shawn Ellis (“Ellis”) and Rose & Thorn Cowlitz, LLC, Rose & Thorn HQ, LLC, Rose & Thorn Denver, LLC, Mainspring, LLC, Semper Genus LLC, Frolic & Revelry, LLC, Hotel Carbon HQ, Inc., and Hotel Carbon 19.06, LLC (collectively “Entity Defendants”) (*see* ECF No. 270) during the prior quarter, which was approved by the Court on November 2, 2023. (*See Kent v. Ellis, et al.*, No. 2:21-cv-20754 (D.N.J.), ECF No. 78).

Without any admission of liability, the parties agreed to resolve all of the Receiver’s claims against Ellis and the Entity Defendants in exchange for the Entity Defendants’ payment of \$1,550,000.00 (“Settlement Amount”) on the following schedule: \$100,000.00 to be paid within 90 days of the settlement, and the balance to be paid within 18 months from the date of the settlement.¹⁶ There is a 15% prepayment discount if payment is made in full within 12 months of the settlement date. The Receiver received the initial \$100,000.00 settlement payment from Ellis/the Entity Defendants on December 1, 2023.

¹⁶ The settlement also includes certain security protections for the Estate. *See Kent v. Ellis, et al.*, 2:21-cv-20754 (ECF No. 74).

Additionally, the Receiver received the second \$400,000.00 installment payment from his settlement with Jeffrey Bydalek, Credit the Americas LP, FX Algo LLC, Hurricane Holdings, Inc., and M3 Media Group, Inc. (“Bydalek Defendants”) on December 18, 2023.

Based on these two existing settlements with extended payout schedules, the Receiver anticipates bringing in an additional \$1,850,000.00 in settlement funds through December 2025.¹⁷ Additionally, given that MCITC and Carol Johnston have defaulted on their settlement agreement with the Receiver and have since filed for bankruptcy, the Receiver’s claims for additional funds owed by them need to be resolved through the bankruptcy proceedings. The Receiver does not expect material distributions from those bankruptcy proceedings.

The Receiver is actively negotiating potential settlements with several other individuals and/or entities. Many of these potential claims are subject to tolling agreements.

3. Judgments

The Receiver obtained a default judgment against Edward C. Britton and Natural Impact Health and Fitness LP in the amount of \$1,739,863.50, inclusive of pre-judgment interest and partial post-judgment interest. Meanwhile, post-judgment

¹⁷ These amounts are subject to certain prepayment discounts if the funds are delivered earlier than anticipated.

interest continues to accrue pursuant to 28 U.S.C. § 1961. The Receiver is actively exploring options for the collection and/or sale of this judgment.

4. Cryptocurrency

The Receiver has learned that at least some cryptocurrency was distributed to an investor, purportedly as a partial in-kind redemption on their investment. The amount and value of the cryptocurrency transferred is being investigated.

5. Private Investments

After efforts to negotiate with Bluwater stalled, the Receiver filed a lawsuit seeking to recover the Receivership Assets transferred to Bluwater on September 19, 2023. *Kent v. Valdes, et al.*, No. 2:23-cv-20475 (D.N.J.) (ECF No. 1).

The Receiver is continuing to attempt to negotiate a resolution relating to Smith's purported interest in the Calais Gold Mine, and 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 Receivership has continued to receive distributions on Smith's \$100,000.00 investment in OTAF (Holgate) LLC through the fourteenth quarter. However, the Receiver has been advised that the last portfolio holding of the project has been sold, and that OTAF (Holgate) LLC is in the process of closing down the fund. The Receiver has been advised that there may be two additional investor

distributions over the next year for New Jersey non-resident withholding taxes for 2023, and from the residual cash balance of the Fund.

The potential value of Smith's one (1) share in CMCC Development Corp. ("CMCC") is still being investigated.

6. Receivables and Promissory Notes

The Receiver's pursuit of litigation continues to include a promissory note from Sunny Ocean 699, LLC and Agostinho Calcada, individually, valued at over \$1.5 million, plus interest.

7. Louisiana Properties

The Receiver reached an agreement with the mortgaging bank for the BD of Louisiana Property for the sale of the property through an executory process, which was approved by the Court on July 19, 2023. (ECF Nos. 259, 260). B1Bank purchased the Property via credit bid at the second Sheriff's sale, which took place on February 21, 2024.

If B1 Bank is able to privately sell the Property for more than a certain dollar threshold within six (6) months receiving title, the Receivership Estate may recover some proceeds from that sale.

8. Additional Bank Accounts and Funds

ICBCFS continues to hold approximately \$444,213.08 in two clearing accounts for CV Brokerage, pursuant to a Stipulation. (ECF No. 30). The Receiver

has addressed ICBCFS' claimed security and priority interest in these funds in his First Omnibus Claims Motion (ECF Nos. 254, 256, 258).

9. Personal Property

In total, the Receiver has recovered \$14,188.20 in net proceeds from the sale of personal property through eighteen (18) auctions over the course of the Receivership, after deduction of commissions and related expenses. Additionally, Smith arranged for the pick-up of her personal/sentimental belongings on April 6, 2023. Further, as previously reported, the Receiver has not been able to locate viable options for the sale of computer equipment retrieved from the Equinix data center. The Receiver believes he has exhausted all efforts to market and sell Smith's personal property.

E. Liquidated and Unliquidated Claims

The Receiver has filed thirteen (13) lawsuits over the course of the Receivership. One of those lawsuits has been closed following the entry of a default judgment – *Kent v. Britton, et al.*, 2:22-cv-02845 (D.N.J.). Four of those lawsuits are settled and closed – *Kent v. MCITC, et al.*, 2:21-cv-13104 (D.N.J.), *Kent v. Hooper, et al.*, No. 2:22-cv-01876 (D.N.J.), *Kent v. Bydalek, et al.*, 2:22-cv-01811 (D.N.J.), and *Kent v. Ellis, et al.*, 2:21-cv-20754 (D.N.J.). However, two of the defendants in the MCITC case, Medical Construction Industrial Training Center, LLC (“MCITC”) and Carol Johnson, with whom the Receiver settled his claims, have failed to fulfill

their full payment obligations and have filed for bankruptcy. The Receiver submitted his claim in the MCITC bankruptcy case on June 28, 2023, seeking payment of the remaining \$100,000.00 owed, plus interest, pursuant to the terms of the settlement agreement approved by this Court. *See In re Medical Construction Industrial Training Center, LLC*, 23-bk-13260-JNP (Bankr. D.N.J.). The Receiver likewise filed his claim in Ms. Johnston's bankruptcy case on August 24, 2023. *See In re Carol Ford Johnston Olive*, 23-15398-ABA (Bankr. D.N.J.). The bankruptcy proceedings are ongoing.

III. CURRENT AND PREVIOUS BILLINGS

The total fees and expenses incurred by the Receiver, Law Firm and Accountant for the period covered by this Application, which are subject to a twenty percent (20%) holdback pending completion of the case, are as follows:

| | Receiver | Law Firm | Accountant |
|----------------------------------------------|-----------------|-----------------|-------------------|
| Total Fees | \$8,109.00 | \$52,889.00 | \$294,275.00 |
| Fees Requested¹⁸ | \$6,487.20 | \$42,311.20 | \$235,420.00 |
| Total Expenses | \$0.00 | \$5,935.13 | \$3,155.50 |
| Total Expenses Requested¹⁹ | \$0.00 | \$4,748.10 | \$2,524.40 |

The Receiver's prior fee applications setting forth the history of fees and expenses charged to the Receivership Estate, the amounts requested, and the status of the

¹⁸ This amount applies a twenty percent (20%) holdback.

¹⁹ This amount applies a twenty percent (20%) holdback.

Court's approval of those applications, are set forth in the table appearing at pages 5-7 of this fee application.

As evidence of the continued 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 the Receiver's time from October 1, 2023 through December 31, 2023;
- Exhibit "C" – Summary of Law Firm Professional & Paraprofessional Time and Expenses from October 1, 2023 through December 31, 2023; and
- Exhibit "D" – Summary of Accounting Professional & Paraprofessional Time and Expenses from October 1, 2023 through December 31, 2023.

These exhibits,²⁰ 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's hours and fees during this quarter, as defined by the SEC's billing guidelines:

| Activity Category | Hours | Fee Amount |
|--------------------------|--------------|-------------------|
| Case Administration | 15.9 | \$8,109.00 |
| Totals | 15.9 | \$8,109.00 |

²⁰ These exhibits are being filed under seal pursuant to Paragraph 73 of the Receivership Order.

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

| Activity Category | Hours | Fee Amount |
|--------------------------------------|---------------|--------------------|
| Asset Analysis and Recovery | 133.9 | \$44,952.00 |
| Asset Disposition | 15.1 | \$2,631.50 |
| Business Operations | 1.1 | \$401.50 |
| Case Administration | 16.6 | \$4,539.00 |
| Claims Administration and Objections | 1.0 | \$365.00 |
| Totals | 167.70 | \$52,889.00 |

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

| Activity Category | Hours | Fee Amount |
|--------------------------|---------------|---------------------|
| Data Analysis | 21.70 | \$10,727.50 |
| Litigation Consulting | 577.20 | \$261,140.00 |
| Status Reports | 8.70 | \$4,082.50 |
| Tax Issues | 33.70 | \$18,325.00 |
| TOTALS | 641.30 | \$294,275.00 |

The following is a breakdown of the Receiver's hours and fees for this quarter:

| Name/Position | Hourly Rate | Hours | Fee Amount |
|--------------------------------|--------------------|--------------|-------------------|
| Kevin Dooley Kent, Receiver | \$510.00 | 15.9 | \$8,109.00 |

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

| Name/Position | Hourly Rate | Hours | Fee Amount |
|------------------------------------|--------------------|--------------|-------------------|
| Robin S. Weiss, Senior Attorney | \$365.00 | 95.10 | \$34,711.50 |
| Nicholas C. Needle, Associate | \$330.00 | 13.30 | \$4,389.00 |

| | | | |
|---------------------------------|----------|---------------|--------------------|
| Jessica D. Reilly, Associate | \$330.00 | 0.20 | \$66.00 |
| Vanessa L. Huber, Associate | \$275.00 | 36.10 | \$9,927.50 |
| Justin Russell, Paralegal | \$165.00 | 23.00 | \$3,795.00 |
| TOTALS | | 167.70 | \$52,889.00 |

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

| Name/Position | Hourly Rate | Hours | Fee Amount |
|---------------------------------------------|--------------------|---------------|---------------------|
| Forensic Analysis Team | | | |
| Michael Shanahan (Senior Director) | \$550.00 | 115.10 | \$63,305.00 |
| David Medway (Director) | \$525.00 | 48.70 | \$25,567.50 |
| Scott Peoples (Director) | \$525.00 | 64.80 | \$34,020.00 |
| Nichole Strong (Manager) | \$450.00 | 113.80 | \$60,210.00 |
| Sam Herzon (Senior Associate) | \$375.00 | 3.40 | \$1,275.00 |
| Amee Mehta (Senior Associate) | \$375.00 | 213.70 | \$80,137.50 |
| Kristina Keefe (Associate) | \$325.00 | 13.20 | \$4,290.00 |
| Forensic Analysis Team Sub-Total | | 592.70 | \$268,805.00 |
| Data Analysis Team | | | |
| Bradley Koehler (Senior Director) | \$550.00 | 11.20 | \$6,160.00 |
| Curtis Stecke (Manager) | \$450.00 | 9.60 | \$4,320.00 |
| Tyler Nagle (Associate) | \$275.00 | 0.90 | \$247.50 |
| Data Analysis Team Sub-Total | | 21.70 | \$10,727.50 |
| Tax Services Team | | | |
| Sean Menendez (Managing Director) | \$550.00 | 0.50 | \$275.00 |
| Jennifer Palacios (Senior Director) | \$550.00 | 20.70 | \$11,385.00 |

| | | | |
|----------------------------------------|----------|---------------|---------------------|
| Jadyna Seelye (Senior Associate) | \$375.00 | 0.30 | \$112.50 |
| Tax Services Team Sub-Total | | 26.90 | \$14,742.50 |
| OVERALL TOTALS | | 641.30 | \$294,275.00 |

The fees and expenses included herein were incurred in the best interests of the Receivership Estate. With the exception of the Billing Instructions and the proposed Contingency Fee Agreement for the pursuit of litigation which was submitted under seal in support of the Receiver's Second, Third and Fourth Motions for Permission to Initiate Litigation, (ECF Nos. 98, 99, 147, 148, 220, 242), the Receiver has not entered into any other agreements concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

Significantly, in accordance with the Contingency Fee Agreement, the significant amount of work the Receiver and his Counsel have performed in connection with the lawsuits the Receiver sought permission to file in his Second, Third and Fourth Motions to Initiate Litigation have not been, and will not be, billed to the Receivership on an hourly basis.²¹ Rather, the Receiver and his Counsel will only receive payment in connection with those lawsuits if and when a settlement or judgment is obtained, pursuant to the terms set forth in the Contingency Fee Agreements.

²¹ This does not include the lawsuit filed against Nottingham and Kip Meadows as well as against Jordan Denise and her entities, as these lawsuits were the subject of the Receiver's First Motion for Permission to Initiate Litigation and are not subject to a contingency fee agreement (ECF No. 49).

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.

The Receiver and his Accountants are continuing to address claims asserted against the Receivership Estate through the creditor claims process, in the interest of moving closer to an interim distribution. The Receiver is also in the process of pursuing numerous affirmative lawsuits against recipients of many millions of dollars in Receivership Assets, with the assistance of his Accountants, who are providing expert support when/as needed. Many of these cases involve

fraudulent/voidable transfer claims where the recipients claim to have provided “services” or other things of purported value in exchange for the transfers—in other words, the majority of defendants are asserting that reasonably equivalent value was provided in exchange. The issues involved are complex and involve bizarre business ventures (including *inter alia* purported investments in mineral mining and extraction and efforts to trade and/or monetize potentially/likely fraudulent and/or falsified bonds and other financial instruments through highly suspect means and methods). These cases have required the expenditure of significant time and efforts on the part of the Receiver and his Counsel (which is not being billed to the Receivership Estate on an hourly basis due to the contingency fee arrangement applicable to most of these claims, with the exception of the Nottingham and Jordan Denise litigation), along with the Accountants as they provide necessary forensic and expert support to enable the Receiver to support and pursue his claims.

The current state of affirmative litigation, with numerous cases in the expert discovery phase, and others involving heavy motions practice and fact discovery, have resulted in an increase in fees for this quarter. Three depositions took place in the Nottingham litigation this quarter, and the Receiver’s counsel has been in an active dispute with Jordan Denise’s counsel regarding her failure to appear for her deposition, with the Receiver now seeking significant sanctions against Ms. Denise for her discovery failures. Alvarez and Marsal produced two expert reports during

this quarter in the Nottingham and Emperor Global litigation, and the parties in the Nottingham matter are now in the process of scheduling expert depositions. While the Receiver continues his efforts to resolve lawsuits for reasonable sums when the opportunity arises, the Receiver anticipates that these lawsuits may result in increased fees over the coming quarters as fact discovery closes and the cases proceed through expert discovery, dispositive motion practice, and trial.

The pursuit of claims is important to the Receiver's efforts to recover Receivership Assets on behalf of the Estate. Following numerous bizarre transactions involving restaurants, property development projects, mineral mining, extraction and transport endeavors, and overseas companies—most of which caused material losses to the Receivership Parties—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 was left with few assets still in the Receivership Parties' possession. The Receiver remains optimistic that additional material funds can be recovered on behalf of the Receivership Estate, primarily through litigation, or pre-litigation settlement of claims.

Under the above standards, the Receiver has adequately demonstrated that the amount of fees requested is appropriate. The Receiver, his Counsel and Accountants acted quickly to take control of the Receivership Entities and to prevent the further dissipation of assets. The liquid cash on hand has increased significantly since the

inception of the Receivership, when the existence of substantial valuable assets was in serious question. The amounts at issue in this case are substantial, where the investment scheme involved approximately \$100 million during its operation, at least \$1.5 billion of financial transactions occurred in accounts controlled by Smith over its last several years, and it is currently estimated that investors are still owed approximately \$60 million in principal.

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 and the Law Firm have been performing this work at an average discount rate of twenty-five to thirty percent (25-30%). The Accountants are performing this work at an average discount rate of approximately forty-one percent (41%). Aside from the request that Robin Weiss' hourly rate be increased upon her appointment as lead counsel to the rate applicable to the Receiver's former lead counsel, the Receiver and his Retained Personnel have not requested that the Court authorize an increase in their approved hourly rates in 2021, 2022, 2023, or to date in 2024, resulting in more significant rate reductions as time progresses. However,

the Receiver anticipates submitting a request to increase those rates in the near future.

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. The Receiver and his Counsel have extensively utilized non-billing administrative personnel where appropriate. Most significantly, the Receiver and his Law Firm's willingness to pursue litigation under a contingency fee arrangement as set forth in his Second, Third, and Fourth Motions for Permission to Initiate Litigation on Behalf of the Receivership Estate is resulting in significant cost savings for the Estate.

The Receiver and his Retained Professionals' compensation in this matter is subject to the final approval of this Court, with a twenty-percent (20%) holdback which the Receiver and his Retained Personnel will not receive until the close of the Receivership, subject to this Court's discretion and approval. 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 initially known regarding the amount and availability of Receivership Assets. The risk is even greater with regard to the pursuit of litigation on behalf of the Receivership Estate on a contingency fee basis, in

connection with which the Receiver and his Law Firm risk non-payment entirely if the claims are unsuccessful and/or the prospective defendants are judgment-proof.

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 Fourteenth Interim Fee Application for the Period October 1, 2023 through December 31, 2023, and thereby authorize the following:

1. Payment to Clark Hill PLC in the amount of \$6,487.20 as compensation for the Receiver's services performed from October 1, 2023 through December 31, 2023, such payment representing eighty percent (80%) of the Receiver's fees for this quarter;

2. Payment to Clark Hill PLC in the amount of \$42,311.20 as compensation for services performed by the Receiver's Counsel from October 1, 2023 through December 31, 2023, such payment representing eighty percent (80%) of its fees for this quarter;

3. Payment to Alvarez & Marsal Disputes and Investigations, LLC in the amount of \$235,420.00 as compensation for services performed from October 1, 2023 through December 31, 2023, such payment representing eighty percent (80%) of its fees for this quarter;

4. Payment to Clark Hill PC in the amount of \$4,748.10 for expenses incurred from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of its expenses for this quarter; and

5. Payment to Alvarez & Marsal Disputes and Investigations, LLC, in the amount of \$2,524.40 for expenses incurred from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of its expenses for this quarter.

Respectfully submitted,

Date: 4/26/2024

s/ Robin S. Weiss

Robin S. Weiss, Esq.
Clark Hill PLC
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103
Phone: (215) 864-8086
Facsimile: (215) 640-8501
E-mail: rsweiss@clarkhill.com

*Attorneys for Receiver,
Kevin Dooley Kent*

EXHIBIT “A”

Kevin Dooley Kent
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103
(215) 640-8500

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 10/01/2023 TO 12/31/2023

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 10/01/2023 TO 12/31/2023

| FUND ACCOUNTING (See Instructions): | | Current Reporting Period - 10/01/23 to 12/31/23 | | | 06/29/2020 - 12/31/2023 |
|----------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------|----------|------------------------|-------------------------|
| | | Detail | Subtotal | Period Total | Case to Date |
| Line 1 | Beginning Balance (As of 10/01/23): | | | \$ 7,773,911.13 | \$ - |
| <i>Increases in Fund Balance:</i> | | | | | |
| Line 2 | Business Income | | | - | - |
| Line 3 | Cash and Securities | | | - | 8,333,454.80 |
| Line 4 | Interest/Dividend Income | | | 54,156.27 | 174,334.64 |
| Line 5 | Business Asset Liquidation | | | - | 700.00 |
| Line 6 | Personal Asset Liquidation | | | 179.06 | 565,323.08 |
| Line 7 | Third-Party Litigation Income | | | 500,000.00 | 2,449,990.17 |
| Line 8 | Miscellaneous - Other | | | - | - |
| Total Funds Available (Lines 1 – 8): | | | | \$ 8,328,246.46 | \$ 11,523,802.69 |
| <i>Decreases in Fund Balance:</i> | | | | | |
| Line 9 | Disbursements to Investors/Claimants | | | - | 258,776.99 |
| Line 10 | Disbursements for Receivership Operations | | | 307,132.09 | 3,225,091.55 |
| Line 10a | Disbursements to Receiver or Other Professionals | | | 306,530.51 | |
| Line 10b | Business Asset Expenses | | | 211.08 | |
| Line 10c | Personal Asset Expenses | | | - | |
| Line 10d | Investment Expenses | | | 390.50 | |
| 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 | | | \$ 307,132.09 | \$ 3,483,868.54 |
| Line 11 | Disbursements for Distribution Expenses Paid by the Fund: | | | - | 18,819.78 |
| 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 | | | \$ - | \$ 18,819.78 |
| 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): | | | | \$ 307,132.09 | \$ 3,502,688.32 |
| Line 13 | Ending Balance (As of 12/31/23): | | | \$ 8,021,114.37 | \$ 8,021,114.37 |
| Line 14 | Ending Balance of Fund – Net Assets: | | | | |
| Line 14a | Cash & Cash Equivalents | | | 8,021,114.37 | 8,021,114.37 |
| Line 14b | Investments | | | - | - |
| Line 14c | Other Assets or Uncleared Funds | | | - | - |
| | Total Ending Balance of Fund – Net Assets | | | \$ 8,021,114.37 | \$ 8,021,114.37 |

[1]

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 10/01/2023 TO 12/31/2023

| OTHER SUPPLEMENTAL INFORMATION: | | Current Reporting Period - 10/01/23 to 12/31/23 | | | 06/29/2020 - 12/31/2023 |
|---------------------------------|----------------------------------------------------------------------------------|-------------------------------------------------|----------|--------------|-------------------------|
| | | 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> | | | | 52 |
| 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> | | | | 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.

Receiver:

By: Kevin Dooley Kent
 (signature)
Kevin Dooley Kent
 (printed name)
Receiver
 (title)

Date: 01/22/2024

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

As of December 31, 2023, the Receiver's cash balance of \$8,021,114.37 was maintained in checking and savings accounts at Bank of America and WSFS Bank with the following balances:

Receivership Cash Account Balances - December 31, 2023

| Financial Institution | Account Type | Balance |
|------------------------------|---------------------|-----------------------|
| Bank of America | Checking | 243,963.99 |
| WSFS Bank | Checking | 326,888.67 |
| WSFS Bank | Savings | 7,450,261.71 |
| Total Cash | | \$8,021,114.37 |

Investments, Real and Personal Property

As described more fully in the Receiver's Fourteenth 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 anticipates recovering future distributions related to Brenda Smith's personal investment in OTAF LLC.

The Receivership has an interest in two parcels in Tangipahoa Parish, Louisiana, owned by BD of Louisiana, LLC ("BD of Louisiana Property"). Due to an inability to secure a private buyer for the BD of Louisiana Property, on June 30, 2023, the Receiver entered into a Creditor Agreement with b1BANK, authorizing it to initiate mortgage foreclosure proceedings and pursuant to which the Receiver is entitled to the proceeds above a certain threshold.

**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 Dooley Kent, hereby submits this Statement in lieu of the submission of a formal brief in support of the Motion for Approval of Fourteenth Interim Fee Application for the Period October 1, 2023 through December 31, 2023. 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: 4/26/2024

s/ Robin S. Weiss

Robin S. Weiss, Esquire
Clark Hill PLC
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19102
Phone: 215-864-8086
Fax: 215-640-8501
rsweiss@clarkhill.com
*Attorneys for Receiver, Kevin Dooley
Kent*

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 25th day of April, 2024.



Kevin Dooley Kent

**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 DOOLEY KENT'S
FOURTEENTH INTERIM FEE APPLICATION FOR THE PERIOD
OCTOBER 1, 2023 THROUGH DECEMBER 31, 2023**

THIS MATTER having come before this Court upon the Motion of Receiver, Kevin Dooley Kent for Approval of Fourteenth Interim Fee Application for the Period October 1, 2023 through December 31, 2023;

It is on this _____ day of _____, 2024,

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

FURTHER ORDERED that Payment to Clark Hill PLC ("Clark Hill") in the amount of \$6,487.20 for the Receiver's services from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of the Receiver's total fee of

\$8,109.00 for this quarter, is APPROVED and may be paid by the Receiver at this time; and it is

FURTHER ORDERED that Payment to Clark Hill (“Law Firm”) in the amount of \$42,311.20 for the Law Firm’s legal services provided from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of the Law Firm’s total counsel fees of \$52,889.00 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 \$235,420.00 for services performed from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of the Accountant’s total fee of \$294,275.00 for this quarter, is APPROVED and may be paid by the Receiver at this time; and it is

FURTHER ORDERED that payment to Clark Hill PLC in the amount of \$4,748.10 for expenses incurred from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of the Law Firm’s total expenses of \$5,935.13 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 \$2,524.40 for expenses incurred from October 1, 2023 through December 31, 2023, representing eighty percent (80%) of the

Accountant's total expenses of \$3,155.50 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 26th day of April, 2024, that I caused to be served a true and correct copy of the Notice of Motion of Receiver, Kevin Dooley Kent for Approval of Fourteenth Interim Fee Application for the Period October 1, 2023 through December 31, 2023 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
Register No. 72832-050
FCI Danbury
Federal Correctional Institution
Route 37
Danbury CT 06811

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