

**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 FIFTEENTH QUARTERLY
STATUS REPORT**

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TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	SUMMARY OF THE OPERATIONS OF THE RECEIVER.....	2
	A. Litigation-Related Activities	4
	i. Motion Practice	4
	ii. Lawsuits Filed on Behalf of the Receivership Estate	4
	B. Storage & Sale of Belongings and Data.....	7
	C. Louisiana Property	8
	D. Private Investments and Ownership Interests	10
	E. Investigation, Development, Pursuit and Settlement of Claims	10
	F. Financial Account Reconstruction and Accounting Support	11
	G. Unclaimed Property.....	12
	H. Receivership Taxes.....	12
III.	CASH ON HAND, ADMINISTRATIVE EXPENSES, AND UNENCUMBERED FUNDS	13
IV.	RECEIPTS AND DISBURSEMENTS.....	14
V.	RECEIVERSHIP ASSETS	14
	A. Receivership Bank Accounts.....	14
	B. Settlements	14
	C. Judgments	15
	D. Cryptocurrency	16
	E. Private Investments	16
	F. Receivables and Promissory Notes	17
	G. Louisiana Properties	17
	H. Additional Bank Accounts and Funds.....	17
	I. Personal Property	18
VI.	LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY RECEIVERSHIP ESTATE	18
VII.	CREDITORS.....	19
VIII.	STATUS OF CREDITOR CLAIMS PROCEEDINGS	21
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 Fifteenth Quarterly Status Report (the “Report”), in accordance with Paragraphs 67 and 68 of the Receivership Order, and reports 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.). 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 Receivership Parties Broad Reach Capital, LP (“Broad Reach Capital”), 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 Investments”), CV Lending LLC, CV Minerals LLC, BD of Louisiana, LLC, TA1, LLC (“TA1”), FFCC Ventures LLC, Prico Market LLC, GovAdv Funding LLC, Elm Street Investments, LLC (ECF No. 96), Investment Consulting LLC (“Investment Consulting”), and Tempo Resources LLC (hereinafter “Receivership Assets” or “Receivership Estate”). Receivership Order, Whereas ¶ 3; ¶¶ 1–3, 5 (ECF No. 22).

This status report focuses on developments during the fifteenth quarter of the Receivership. The Receiver incorporates by reference his prior 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 fifteenth 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 total balance in the Receivership Accounts as of the close of the fifteenth quarter was \$7,868,651.81.

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.

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.

The operations of the Receiver for the fifteenth quarter are outlined in further detail below.

A. Litigation-Related Activities

i. Motion Practice

On March 13, 2024, the Receiver and his Counsel attended a hearing on his First Omnibus Motion for Order Resolving Disputed Non-Investment Creditor Claims (ECF No. 254) (“First Omnibus Motion”). On March 28, 2024, the Court entered an Order on the First Omnibus Motion, granting it in part and denying it in part. (ECF No. 305).

ii. Lawsuits Filed on Behalf of the Receivership Estate

The Receiver filed thirteen (13) lawsuits during prior quarters. Four (4) of those lawsuits have been settled and closed:

- ***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, and the Receivership Estate has received periodic payments in connection its bankruptcy claim.
- ***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).

- ***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).
- ***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).¹

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

- ***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:

- ***Kevin D. Kent, in his capacity as Receiver v. Emperor Global Enterprises LLP, et al., No. 2:21-cv-13099 (D.N.J.):*** Fact discovery is closed. The Receiver produced the expert reports of his Accountant and a certified forensic document examiner on December 29, 2023. The parties participated in a status conference on April 19, 2024.
- ***Kevin D. Kent, in his capacity as Receiver v. Richard C. Galvin, et al., No. 2:21-cv-13105 (D.N.J.):*** The parties have reached a settlement in principle, subject to the Court's approval, and are in the process of finalizing the paperwork necessary to formalize the settlement.

¹ The Order approving the settlement was signed on October 30, 2023, but docketed on November 2, 2023.

- ***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).
- ***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. The remaining parties participated in a status conference on April 11, 2024.
- ***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). The Receiver produced the expert report of his Accountant on March 29, 2024. The parties are proceeding with expert discovery. Additionally, a status conference is scheduled for May 28, 2024.
- ***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).

- ***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. The parties participated in a status conference on April 19, 2024.
- ***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.

B. 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.² 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.

² Gross sale proceeds to date total \$19,516.50, which are offset by commissions and other related expenses totaling \$5,328.30 to date.

C. 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 Court granted the Receiver’s 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 19, 2023. (ECF No. 260). B1Bank initiated executory proceedings on or about August 11, 2023.

The first Sheriff’s sale took place on December 6, 2023, but there were no bidders. A second Sheriff’s sale took place 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. B1BANK thereafter submitted payment of costs for the Sheriff, Tangipahoa Parish tax collector, Clerk of Court, advertising costs, and appraisals, totaling approximately \$5,198.70. Payment of these costs was required for the issuance of a deed transferring title to the Property.

The conveyance via Sheriff's sale was recorded with Tangipahoa Parish Clerk of Court on approximately March 6, 2024. As of the date of this filing, the Receiver has not yet received a copy of the deed transferring title of the Property to b1BANK. Once b1BANK receives the deed, they will begin the process of listing and trying to sell the property.

Pursuant to the Creditor Agreement, b1BANK will use its commercially reasonable best efforts to sell the Property on the private market for not less than \$415,000.00. 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) such that any sums received over \$395,000.00 will be remitted to the Receiver. If, despite its commercially reasonable best efforts, b1BANK is unable to sell the property within six (6) months after it receives title, it will no longer be obligated to share net proceeds with the Receiver. In any event, under no circumstances will b1BANK pursue recovery of any deficiency amount from BD of Louisiana, the Receivership Estate, the Receiver, or Brenda Smith, and b1BANK has waived any and all rights to recover from them any remaining balance owed under the Promissory Note after the sale of the Property.

D. 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.

Total distributions from Smith's \$100,000.00 investment in OTAF (Holgate) LLC remain at \$167,806.58 through the close of the fifteenth 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.

E. 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 five (5) litigation settlements have been reached as of March 31, 2024, valued at over \$4.7 million. The Receivership Estate received \$15,000.00 in settlement funds during the fifteenth quarter, in connection with the settlement with Kelly Lynn Ulmer.³ Based on

³ This settlement was approved by the Court on April 4, 2024. (ECF No. 72).

existing settlements with extended payout schedules, the Receiver anticipates bringing in an additional \$1,850,000.00 in settlement funds through December 2025.⁴

F. 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.

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 five (5) expert

⁴ These amounts are subject to certain prepayment discounts if the funds are delivered earlier than anticipated.

reports in connection with the Receiver's ancillary litigation so far—one of which was issued during the fifteenth quarter.

G. 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.

H. Receivership Taxes

The Receiver is still in the process of negotiating with the Internal Revenue Service regarding the \$1.3 million minimum and preliminary 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.

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

As of March 31, 2024, total cash on hand was \$7,868,651.81. The Receiver brought in \$15,000.00 in settlement proceeds,⁵ \$172.32 in payments from MCITC in connection with the Receivership Estate's claim submitted in bankruptcy proceedings, and \$54,934.49 in interest earnings on the WSFS savings account during the fifteenth 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.⁶

Administrative expenses paid during this quarter total \$222,569.37 and include (a) \$358.50 in WSFS bank maintenance fees; (b) \$16.00 in WSFS bank fees for incoming wires; (c) \$392.35 in Bank of America account analysis fees; (d) \$216,769.52 in professional fees and expense reimbursement to the Receiver, his

⁵ Since this settlement was approved after the close of the fifteenth quarter, the Receiver's fees and expenses deducted from this settlement amount will be reported in the next quarterly status report.

⁶ 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.

Counsel and Accountant pursuant to this Court's February 29, 2024 Order Approving the Receiver's Thirteenth Interim Fee Application (ECF No. 301); and (f) \$5,033.00 in professional fees for an attorney engaged by the Receiver as Retained Personnel to preliminarily investigate an insurance issue on behalf of the Receivership Estate, pursuant to Paragraphs 57 and 71 of the Receivership Order.

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

A. Receivership Bank Accounts

As of the close of fifteenth quarter on March 31, 2024, the balance in the Receivership Accounts was \$7,868,651.81, broken down as follows: \$7,420,352.52 in the WSFS Trust/Savings Account, \$204,727.65 in the WSFS Checking Account, and \$243,571.64 in the Bank of America Account.

B. Settlements

The Receiver received a \$15,000.00 settlement payment from Kelly Lynn Ulmer during the fifteenth quarter, in connection with the Kent v. Iregui Matter. That settlement was approved on April 4, 2024. (ECF No. 72).

Further, after MCITC and Carol Johnston defaulted on the settlement agreement reached in the Kent v. MCITC Matter and filed for bankruptcy,⁷ the Receiver has begun receiving monthly payments from MCITC in the amount of \$57.44 in connection with the bankruptcy proceedings. The Receiver received three (3) payments during the fifteenth quarter, for a total of \$172.32. Based upon the current bankruptcy plan, these monthly payments are expected to continue for approximately nine (9) years, for a total payout of approximately \$6,500.00.

Based on two existing settlements with extending payout schedules in connection with the Kent v. Bydalek and Kent v. Ellis Matters, the Receiver anticipates bringing in an additional \$1,850,000.00 in settlement funds through December 2025.⁸

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

C. 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

⁷ See *In re Medical Construction Industrial Training Center, LLC*, 23-bk-13260-JNP (Bankr. D.N.J.) and *See In re Carol Ford Johnston Olive*, 23-15398-ABA (Bankr. D.N.J.).

⁸ These amounts are subject to certain prepayment discounts if the funds are delivered earlier than anticipated.

pre-judgment interest and partial post-judgment interest. Meanwhile, post-judgment 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.

D. 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.

E. 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, though no distributions were received during the fifteenth 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.

F. 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.

G. 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.

H. 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).

I. 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.

VI. LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY RECEIVERSHIP ESTATE

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, and the Receivership Estate has begun to receive monthly payments in the amount of \$57.44. The Receiver received three (3) checks from MCITC through the close of the fifteenth quarter.

VII. CREDITORS

The Receiver summarized the trade creditor claims that have been submitted through the Receivership claims process and identified additional potential creditors who filed lawsuits but did not submit creditor claims in his ninth quarterly status report (ECF No. 213), which is incorporated herein by reference. The disputed creditor claims are further summarized in the Receiver's First Omnibus Claims Motion (ECF No. 254) and Omnibus Reply (ECF No. 258). Certain of those claims have since been withdrawn and/or resolved.

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 \$773,549.68.⁹ 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.

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 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).

⁹ 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).

- 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 initial 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.

VIII. STATUS 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 outcomes of the claims outlined in the First Omnibus Motion are set forth above.

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.

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

Given the Receiver's continued investigation and pursuit of litigation, the claims asserted by the IRS, the ongoing nature of the Creditor Claims process with respect to certain disputed claims, the need for the filing of a proposed distribution motion, 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.

X. CONCLUSION

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

Respectfully Submitted,

Date: 4/30/2024

s/ Robin S. Weiss
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Two Commerce Square
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*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 01/01/2024 TO 03/31/2024

STANDARDIZED FUND ACCOUNTING REPORT for Consolidated Broad Reach Capital Recevlership Entities - Cash Basis
 Recevlership; Civil Court Docket No. 2:19-CV-17213-MCA-ESK
 REPORTING PERIOD 1/01/2024 TO 3/31/2024

FUND ACCOUNTING (See Instructions):		Current Reporting Period - 1/01/24 to 3/31/24			06/29/2020 - 3/31/2024
		Detail	Subtotal	Period Total	Case to Date
Line 1	Beginning Balance (As of 1/01/24):			\$ 8,021,114.37	\$ -
	<i>Increases in Fund Balance:</i>				
Line 2	Business Income			-	-
Line 3	Cash and Securities			-	8,333,454.80
Line 4	Interest/Dividend Income			54,934.49	229,269.13
Line 5	Business Asset Liquidation			-	700.00
Line 6	Personal Asset Liquidation			-	565,323.08
Line 7	Third-Party Litigation Income			15,172.32	2,465,162.49
Line 8	Miscellaneous - Other			-	-
	Total Funds Available (Lines 1 – 8):			\$ 8,091,221.18	\$ 11,593,909.50
	<i>Decreases in Fund Balance:</i>				
Line 9	Disbursements to Investors/Claimants			-	258,776.99
Line 10	Disbursements for Recevlership Operations			222,569.37	3,447,660.92
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>			221,802.52	
Line 10b	<i>Business Asset Expenses</i>			-	
Line 10c	<i>Personal Asset Expenses</i>			-	
Line 10d	<i>Investment Expenses</i>			766.85	
Line 10e	<i>Third-Party Litigation Expenses</i>				
	1. Attorney Fees			-	
	2. Litigation Expenses			-	
	<i>Total Third-Party Litigation Expenses</i>			-	
Line 10f	<i>Tax Administrator Fees and Bonds</i>			-	
Line 10g	<i>Federal and State Tax Payments</i>			-	
	Total Disbursements for Recevlership Operations			\$ 222,569.37	\$ 3,706,437.91
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			-	18,819.78
Line 11a	<i>Distribution Plan Development Expenses:</i>				
	1. Fees:				
	Fund Administrator			-	
	Independent Distribution Consultant (IDC)			-	
	Distribution Agent			-	
	Consultants			-	
	Legal Advisers			-	
	Tax Advisers			-	
	2. Administrative Expenses			-	
	3. Miscellaneous			-	
	<i>Total Plan Development Expenses</i>			-	
Line 11b	<i>Distribution Plan Implementation Expenses:</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. Federal Account for Investor Restitution (FAIR)			-	
	Reporting Expenses			-	
	<i>Total Plan Implementation Expenses</i>			-	
	Total Disbursements for Distribution Expenses Paid by the Fund			\$ -	\$ 18,819.78
Line 12	Disbursements to Court/Other:			-	-
Line 12a	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>			-	
Line 12b	<i>Federal Tax Payments</i>			-	
	Total Disbursements to Court/Other			\$ -	\$ -
	Total Funds Disbursed (Lines 9 – 11):			\$ 222,569.37	\$ 3,725,257.69
Line 13	Ending Balance (As of 3/31/24):			\$ 7,868,651.81	\$ 7,868,651.81
Line 14	Ending Balance of Fund – Net Assets:				
Line 14a	<i>Cash & Cash Equivalents</i>			7,868,651.81	7,868,651.81
Line 14b	<i>Investments</i>			-	-
Line 14c	<i>Other Assets or Uncleared Funds</i>			-	-
	Total Ending Balance of Fund – Net Assets			\$ 7,868,651.81	\$ 7,868,651.81

[1]

STANDARDIZED FUND ACCOUNTING REPORT for Consolidated Broad Reach Capital Receivship Entities - Cash Basis
Receivship; Civil Court Docket No. 2:19-CV-17213-MCA-ESK
REPORTING PERIOD 1/01/2024 TO 3/31/2024

OTHER SUPPLEMENTAL INFORMATION:		Current Reporting Period - 1/01/24 to 3/31/24			06/29/2020 - 3/31/2024
		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:			\$ -	\$ -
Line 15a	Plan Development Expenses Not Paid by the Fund:				
	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			\$ -	\$ -
Line 15b	Plan Implementation Expenses Not Paid by the Fund:				
	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			\$ -	\$ -
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund			-	-
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-	-
Line 16	Disbursements to Court/Other Not Paid by the Fund:				
Line 16a	Investment Expenses/CRIS Fees			-	-
Line 16b	Federal Tax Payments			-	-
	Total Disbursements to Court/Other Not Paid by the Fund:			-	-
Line 17	DC & State Tax Payments			\$ -	\$ -
Line 18	No. of Claims:				
Line 18a	# of Claims Received This Reporting Period				-
Line 18b	# of Claims Received Since Inception of Fund				52
Line 19	No. of Claimants/Investors:				
Line 19a	# of Claimants/Investors Paid This Reporting Period				-
Line 19b	# of Claimants/Investors Paid Since Inception of Fund				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 Receivship 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, Receiver
 (signature)
Kevin Dooley Kent
 (printed name)
Receiver
 (title)

Date: 29 April 2024

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

As of March 31, 2024, the Receiver's cash balance of \$7,868,651.81 was maintained in checking and savings accounts at Bank of America and WSFS Bank with the following balances:

Receivership Cash Account Balances - March 31, 2024

Financial Institution	Account Type	Balance
Bank of America	Checking	243,571.64
WSFS Bank	Checking	204,727.65
WSFS Bank	Savings	7,420,352.52
Total Cash		\$7,868,651.81

Investments, Real and Personal Property

As described more fully in the Receiver's Fifteenth 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 previously had 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.

b1BANK purchased the BD of Louisiana Property via credit bid for approximately \$85,000 at the Sheriff's sale that occurred on February 21, 2024. If b1BANK is able to privately sell the Property for more than a certain threshold within six (6) months of receiving title, the Receivership Estate may recover some proceeds from that sale.

**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 30th day of April, 2024, that I caused to be served a true and correct copy of the Receiver Kevin Dooley Kent's Fifteenth 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
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,
Esq.