

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

Case No. 19-cv-17213 (MCA-ESK)

CONSENT OF RECEIVERSHIP DEFENDANTS

1. Kevin Dooley Kent (“Receiver”), as the Court-appointed Receiver for Defendants Broad Reach Capital, LP, Broad Reach Partners, LLC, and Bristol Advisors, LLC (collectively, the “Receivership Defendants”), acknowledges that the Receivership Defendants have been served with the Complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over the Receivership Defendants and over the subject matter of this action.

2. The Receivership Defendants hereby consent to the entry of the final Judgment in the form attached as Exhibit A (the “Final Judgment”) and incorporated here by reference, which, among other things:

- (a) Permanently restrains and enjoins the Receivership Defendants from violations of Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77(q)(a)], and Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

- (b) Permanently restrains and enjoins Receivership Defendant Bristol Advisors, LLC from violations of Sections 206(1), (2), and (4) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-6] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8];
- (c) Orders that the Receivership Defendants are jointly and severally liable for disgorgement in the amount of \$67,431,120 (the “Total Judgment Amount”); and
- (d) Orders that the obligation of the Receivership Defendants for the Total Judgment Amount shall be deemed satisfied by the recoveries of the Receiver.

3. The Receivership Defendants waive the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

4. The Receivership Defendants waive the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

5. The Receivership Defendants enter into this Consent voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce the Receivership Defendants to enter into this Consent.

6. The Receivership Defendants agree that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

7. The Receivership Defendants will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any such objections.

8. The Receivership Defendants waive service of the Final Judgment and agree that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to the Receivership Defendants of its terms and conditions. On behalf of the Receivership Defendants, the Receiver further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that the Receivership Defendants have received and read a copy of the Final Judgment.

9. Consistent with 17 C.F.R. § 202.5(f), this Consent resolves only the claims asserted against the Receivership Defendants in this civil proceeding. The Receivership Defendants acknowledge that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. The Receivership Defendants waive any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. The Receivership Defendants further acknowledge that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, the Receivership Defendants understand that they shall not be permitted to contest the factual allegations of the Complaint in this action.

10. The Receivership Defendants understand and agree to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a

defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the Complaint or order for proceedings,” and “a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations.” As part of the Receivership Defendants’ agreement to comply with the terms of Section 202.5(e), the Receivership Defendants: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the Complaint, or that this Consent contains no admission of the allegations, without also stating that the Receivership Defendants do not deny the allegations; and (iii) upon the filing of this Consent, the Receivership Defendants hereby withdraw any papers filed in this action to the extent that they deny any allegation in the Complaint. If the Receivership Defendants breach this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects the Receivership Defendants: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

11. The Receivership Defendants hereby waive any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney’s fees or other fees, expenses, or costs expended by the Receivership Defendants to defend against this action. For these purposes, the Receivership Defendants agree that the Receivership Defendants are not the prevailing parties in this action since the parties have reached a good faith settlement.

12. The Receivership Defendants agree that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

13. The Receivership Defendants agree that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: 3 April 2024

BROAD REACH CAPITAL, LP,
BROAD REACH PARTNERS, LLC, and
BRISTOL ADVISORS, LLC

By: Kevin Dooley Kent

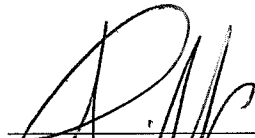
Kevin Dooley Kent
Receiver for the Receivership Defendants
Clark Hill PLC
Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103

On 3RD, 2024, APRIL, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent with full authority to do so on behalf of the Receivership Defendants as the Court-appointed Receiver for those entities.

Lisa LaPorta Doyle
Notary Public
Commission expires: 7/2/25

Commonwealth of Pennsylvania - Notary Seal
Lisa LaPorta Doyle, Notary Public
Philadelphia County
My commission expires July 2, 2025
Commission number 1042320
Member, Pennsylvania Association of Notaries

Approved as to form:



Robin S. Weiss, Esquire
Clark Hill PLC

Two Commerce Square
2001 Market Street, Suite 2620
Philadelphia, PA 19103
Attorneys for Receiver, Kevin Dooley Kent

Exhibit A

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.

Case No. 19-cv-17213 (MCA-ESK)

FINAL JUDGMENT AS TO RECEIVERSHIP DEFENDANTS

The Securities and Exchange Commission having filed a Complaint and Defendants Broad Reach Capital, LP, Broad Reach Partners, LLC, and Bristol Advisors, LLC (collectively, the “Receivership Defendants”), by and through the Court-appointed Receiver, Kevin Dooley Kent, having appeared; consented to the Court’s jurisdiction over the Receivership Defendants and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

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

- (a) to employ any device, scheme, or artifice to defraud;

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

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

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Receivership Defendants are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

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

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who

receive actual notice of this Final Judgment by personal service or otherwise: (a) the Receivership Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with the Receivership Defendants or with anyone described in (a).

III.

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

- (a) to employ devices, schemes, or artifices to defraud any client or prospective client; or
- (b) to engage in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon any client or prospective client.

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

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Receivership Defendant Bristol Advisors, LLC is permanently restrained and enjoined from violating Sections 206(4) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-6] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8] by, directly or indirectly, using the means or instrumentality of interstate commerce or the mails to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in

Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) the Receivership Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with the Receivership Defendants or with anyone described in (a).

V

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Receivership Defendants' are jointly and severally liable for disgorgement of \$67,431,120, representing net profits gained as a result of the conduct alleged in the Complaint (the "Total Judgment Amount"). The obligation of the Receivership Defendants for the Total Judgment Amount shall be deemed satisfied by the recoveries of the Receiver.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that the Receivership Defendants shall comply with all of the undertakings and agreements set forth therein.

VII.

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

VIII.

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

Dated: _____, 2024

Hon. Madeline Cox Arleo, U.S.D.J.

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

BRENDA A. SMITH, BROAD REACH CAPITAL,
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Defendants.

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FINAL JUDGMENT AS TO RECEIVERSHIP DEFENDANTS

The Securities and Exchange Commission having filed a Complaint and Defendants Broad Reach Capital, LP, Broad Reach Partners, LLC, and Bristol Advisors, LLC (collectively, the “Receivership Defendants”), by and through the Court-appointed Receiver, Kevin Dooley Kent, having appeared; consented to the Court’s jurisdiction over the Receivership Defendants and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

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

- (a) to employ any device, scheme, or artifice to defraud;

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

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

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Receivership Defendants are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

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

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who

receive actual notice of this Final Judgment by personal service or otherwise: (a) the Receivership Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with the Receivership Defendants or with anyone described in (a).

III.

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

- (a) to employ devices, schemes, or artifices to defraud any client or prospective client; or
- (b) to engage in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon any client or prospective client.

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

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Receivership Defendant Bristol Advisors, LLC is permanently restrained and enjoined from violating Sections 206(4) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-6] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8] by, directly or indirectly, using the means or instrumentality of interstate commerce or the mails to engage in any act, practice, or course of business which is fraudulent, deceptive, or manipulative.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in

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IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Receivership Defendants' are jointly and severally liable for disgorgement of \$67,431,120, representing net profits gained as a result of the conduct alleged in the Complaint (the "Total Judgment Amount"). The obligation of the Receivership Defendants for the Total Judgment Amount shall be deemed satisfied by the recoveries of the Receiver.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that the Receivership Defendants shall comply with all of the undertakings and agreements set forth therein.

VII.

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

VIII.

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

Dated: _____, 2024

Hon. Madeline Cox Arleo, U.S.D.J.

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 foregoing Notice of Consent of the Receivership Defendants Broad Reach Capital, LP, Broad Reach Partners, LLC, and Bristol Advisors, LLC and proposed Final Judgment upon counsel of record for the parties via the Court's electronic filing system, and upon Defendant Brenda A. Smith via U.S. mail, postage prepaid, as follows:

Defendant Brenda A. Smith
Register No. 72832-050
FCI Danbury
Federal Correctional Institution
Route 37
Danbury, CT 06811

s/ John V. Donnelly III
John V. Donnelly III