UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

CHAMBERS OF
MADELINE COX ARLEO
UNITED STATES DISTRICT JUDGE

MARTIN LUTHER KING COURTHOUSE
50 WALNUT ST. ROOM 4066
NEWARK, NJ 07101
973-297-4903

March 17, 2026
VIA ECF
All Parties and Counsel of Record

LETTER ORDER

Re: Kevin Dooley Kent, et al., v. Renato Iregui, et al.
Civil Action No. 21-20691

Dear Litigants:

Before the Court is Plaintiff Kevin Dooley Kent's, in his capacity as receiver for Broad Reach Capital, LP, et al., Motion for the Imposition of Pre- and Post-Judgment Interest on Monetary Judgments Entered Against Defendants. ECF No. 94 (the "Motion"). Defendant Renato Iregui ("Iregui") opposes the Motion as it relates to pre-judgment interest. See ECF No. 97 ("Opposition"). For the reasons set forth below, Plaintiff's Motion is **GRANTED.**

I. BACKGROUND

Plaintiff filed this lawsuit against Iregui, his wife Kelly Ulmer ("Ulmer"), and entities Iregui LLC, Swiss Allied Capital Partners, Inc. ("SACP"), Swiss Allied Trust & Estate Services, Inc. ("SAT&E"), Investment Consultants PLLC ("Investment Consultants"), and Orbit Global Media S.L. ("OGM," and collectively, "Defendants") to recover Receivership assets that were transferred to or for the benefit of Defendants during Brenda Smith's ("Smith") operation of a $100 million fraudulent investment scheme. On July 18, 2025, this Court granted Plaintiff's Motion for Default Judgment against Iregui LLC, OGM, and SAT&E. See ECF No. 92. On July 29, 2025, this Court granted Plaintiff's Motion for Summary Judgment and entered judgment in favor of the Receiver and against Iregui in the amount of $2,302,649 (the "Judgment"). See ECF No. 93 at 10 (the "SJ Order"). Of the judgment amount, $400,000 represents the amount for which Iregui is jointly and severally liable with OGM, and $1,109,700 represents the amount for which Iregui is jointly and severally liable with Iregui LLC. Id.[1] Iregui is solely liable for the

[1] Plaintiff notes that the Court's earlier default judgment entered against Iregui and Iregui LLC reflected the incorrect amount owed by Iregui. Compare ECF No. 92 (entering judgment for $1,109,745) with ECF No. 93 (entering judgment for $1,109,700). In the instant motion, Plaintiff only seeks pre- and post-judgment interest on the lesser, correct amount entered against Iregui in Judgment. The Court agrees that the amount entered against Iregui in the Judgment was the correct total, and that the de minimis difference reflected in its order granting default judgment was a clerical error. Pursuant to Rule 60, "[c]lerical mistakes in judgments, orders, or other parts of the record . . . may be corrected by the court at any time of its own initiative." Fed. R. Civ. P. 60(a). Accordingly, it is ORDERED that the judgment entered in the Court's order granting default judgment, ECF No. 92, be amended to $1,109, 700 to reflect

remaining $792,949 of the Judgment. Id. This Court invited Plaintiff to submit a motion for the imposition of pre- and/or post-judgment interest against Iregui LLC, OGM, and SAT&E (ECF No. 92 at 14) and against Iregui (ECF No. 93 at 10).

Plaintiff argues that the imposition of pre- and post-judgment interest is appropriate and offers a variety of potential calculations for pre-judgment interest. Iregui's Opposition argues that pre-judgment interest would be inequitable but concedes the mandatory assessment of post-judgment interest. See Opp. at 5.[2] The issue here is whether Plaintiff is entitled to pre-judgment interest, and, if so, the point in time at which interest should begin to accrue and the appropriate interest rate.

II. LEGAL STANDARDS

Damage awards may be subject to pre-judgment interest. With respect to state law claims in federal court, the law of the forum state controls the award of pre-judgment interest. See Kerns v. Logicworks Sys. Corp., No. 12-04146, 2015 WL 4548733, at * 1 (D.N.J. July 28, 2015). This rule applies even where, as here, jurisdiction is based on a federal question. See Hatco Corp. v. W.R. Grace & Co. Conn., 849 F. Supp. 931, 980 (D.N.J. 1994). This Court therefore applies New Jersey law to determine whether pre-judgment interest is warranted. Pre-judgment interest is not mandated by statute, and thus, the district court has discretion to award it "based on equitable principles." Atl. City Assocs., LLC v. Carter & Burgess Consultants, Inc., No. 05-3227, 2010 WL 1371938, at *1 (D.N.J. Mar. 31, 2010) (citing Cnty. of Essex v. First Union Nat'l Bank, 891 A.2d 600, 608 (D.N.J. 2006)).

Post-judgment interest is mandated by 28 U.S.C. § 1961. See Dunn v. Hovic, 13 F.3d 58, 60 (3d Cir. 1993).

III. ANALYSIS

A. Pre-Judgment Interest

The Parties dispute whether equity weighs in favor of the imposition of pre-judgment interest. Plaintiff's claims, based on the Pennsylvania Uniform Voidable Transactions Act ("PUVTA") and unjust enrichment, sound in equity. Unlike in tort actions, where the award of pre-judgment interest is governed by New Jersey Court Rule 4:42-11(b), "pre-judgment interest in contract and equitable actions is based on equitable principles." Litton Indus. Inc. v. IMO Indus. Inc., 982 A.2d 420, 430 (N.J. 2009) (quoting Cnty. of Essex, 891 A.2d at 608). Whether to award pre-judgment interest, the interest rate, and the method of computation is within the court's discretion. See Napp Techs., L.L.C. v. Kiel Lab'ys, Inc., No. 04-3535, 2008 WL 5233708, at *9

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the correct amount entered against Iregui.

[2] In addition to his arguments regarding pre-judgment interest, Iregui asks that this Court stay any ruling on Plaintiff's Motion until his "personal appellate review is complete" and notes that he has "filed a timely Notice of Appeal from the Court's July 29, 2025 Summary Judgment Order." Opp. at 2. As Plaintiff correctly points out, the Third Circuit lacks jurisdiction to hear the appeal of the Judgment while post-judgment motions are pending in this Court. See Osterneck v. Ernst & Whinney, 489 U.S. 169, 176–77 (1989). A stay is inappropriate here.

(D.N.J. Dec. 12, 2008). The Court also exercises discretion in deciding the date from which pre-judgment interest shall accrue. See Cnty. of Essex, 891 A.2d at 609.

"[T]he purpose of a prejudgment interest award is to compensate a party for the lost use of monies." Gleason v. Norwest Mortg., Inc., 253 F. App'x 198, 205 (3d Cir. 2007). Pre-judgment interest is "not a punitive measure." In re Sakhe, 656 B.R. 370, 403 (Bankr. D.N.J. 2023). In contract and equitable actions, New Jersey courts are often guided by Rule 4:42-11(b) in awarding pre-judgment interest. See id. at 403–04; see also IFMK Realty II, LLC v. Atl. Prop. Dev., LLC, No. 20-6989, 2024 WL 1857374, at *3–4 (D.N.J. Apr. 29, 2024).

1. Pre-Judgment Interest Shall Accrue as of July 19, 2019.

Plaintiff argues that pre-judgment interest should be assessed from the date on which each fraudulent transfer was made. See Mot. at 7–8. Alternatively, Plaintiff provides for the calculation of pre-judgment interest beginning on the day the complaint was filed. See id. at 16. Iregui offers no argument regarding when pre-judgment interest should begin accruing.

Courts often apply pre-judgment interest from the date of the fraudulent transfers at issue. See Driscoll v. Burlington-Bristol Bridge Co., 86 A.2d 201 (N.J.1952); Resolution Trust Corporation v. Spagnoli, 811 F. Supp. 1005 (D.N.J. 1993), amended (Feb. 8, 1993). However, in those cases, there was not a significant passage of time between the fraudulent transactions and the filing of the complaint. See Driscoll, 86 A.2d at 207 (complaint filed about one month after fraudulent transfer); Resolution Trust, 811 F. Supp. at 1006–07 (complaint filed about eighteen months after fraudulent transfers). Here, by contrast, the initial fraudulent transfer occurred four years before the complaint was filed. Mot. at 16. And it occurred nine years before the Judgment was entered. Mot. at 6–7, 11.

The Court remains mindful that the purpose of pre-judgment interest is to compensate Plaintiff for the time that Defendants wrongfully had use of its funds. See Gleason, 253 F. App'x at 205. But, given the equitable purpose of pre-judgment interest, it should not be punitive. See, e.g., Teachers Ins. & Annuity Ass'n of Am. v. Winder, No. 25-4273, 2025 WL 2917744, at *4 (E.D. Pa. Oct. 14, 2025) ("[T]he purpose of pre-judgment interest is compensatory, not punitive" (citing Booker v. Taylor Milk Co., 64 F.3d 860, 868 (3d Cir. 1995)). Therefore, guided by principles of equity, the Court concludes that pre-judgment interest shall begin accruing on the Judgment starting July 19, 2019. This is the date on which the last fraudulent transfer was made, which means that Plaintiff is compensated from a time at which it was fraudulently deprived of its funds. This time period is also more in line with the time that elapsed between the fraudulent transfer and the filing of the complaint in other cases. See, e.g., Resolution Trust. This ensures that the total amount of interest accrued will not impose a burden on Defendants that could be viewed as punitive in nature.

2. Pre-Judgment Interest at a 7.5% Annual Rate is Appropriate.

"Like the decision whether to award interest at all, deciding the rate of interest depends on the equities of the case." Carolee, LLC v. eFashion Sols., LLC, No. 12-02630, 2013 WL 5574594, at *5 (D.N.J. Oct. 9, 2013). Absent unusual circumstances, courts in this district have

looked to New Jersey Court Rule 4:42-11(b) when determining the rate of pre-judgment interest. See Devine v. Advanced Comp. Concepts Inc., No. 08-875, 2009 WL 78158, at *3 (D.N.J. Jan. 9, 2009); see also Carolee, LLC, 2013 WL 5574594, at *5. The rule provides that the pre-judgment interest rate will be "the average rate of return, to the nearest whole or one-half percent, for the corresponding preceding fiscal year terminating on June 30, of the State of New Jersey Cash Management Fund . . . as reported by the Division of Investment in the Department of the Treasury." N.J. Ct. R. 4:42–11(a)(ii). "[F]or judgments exceeding the monetary limit of the Special Civil Part," which is $20,000, pre-judgment interest shall be calculated "at the rate provided in subparagraph (a)(ii) plus 2% per annum." N.J. Ct. R. 4:42–11(a)(iii).

The average rate of return for the fiscal year terminating June 30, 2025 was 5.5%. See N.J. Ct. R. 4:42-11, Editor's Note. Because the Judgment exceeds the Special Civil Part monetary limit of $20,000, two percent per annum will be added to this rate. Accordingly, the pre-judgment interest rate shall be 7.5%. The Court believes this interest rate is appropriate.

The Court will apply 7.5% pre-judgment interest on a simple basis. New Jersey courts disfavor compound interest because it "unduly hastens the accumulation of debt," which is seen as "harsh and oppressive." Abramowitz v. Washington Cemetery Ass'n, 51 A.2d 461, 463 (N.J. Ch. 1947); see also Carolee, LLC, 12013 WL 5574594, at *5. And, as noted, pre-judgment interest is an equitable remedy intended to compensate, not punish. See Teachers Ins., 2025 WL 2917744, at *4. Plaintiffs point to Buck Consultants, Inc. v. Glenpointe Associates, No. 03-454, 2010 WL 2104982 (D.N.J. May 25, 2010), and argue that the sophistication of the parties, the length of time over which interest would compound, and the sum on which interest would accumulate warrant a compound interest rate. See Mot. at 9. But the court in Buck Consultants determined compound interest was appropriate because the defendant bank was a "sophisticated business entity" and likely would have held the funds in an interest-bearing account. 2010 WL 2104982, at *3. Plaintiff makes no similar claims about Defendants being "sophisticated business entities" and holding the funds at issue in interest bearing accounts. The six-year period on which interest would compound here, coupled with the amount of the Judgment, would make compounding pre-judgment interest appear punitive in this case. The Court therefore concludes that a simple interest rate is appropriate here.

B. Plaintiff is Entitled to Post-Judgment Interest

Defendant concedes that Plaintiff is entitled to post-judgment interest. See Opp. at 5. Post-judgment interest is mandated by 28 U.S.C. § 1961. An award of post-judgment interest must be granted based on a "money judgment." Travelers Cas. & Sur. Co. v. Ins. Co. of N. Am., 609 F.3d 143, 175 (3d Cir. 2010). The term "money judgment" means the judgment must include "both 'an identification of the parties for and against whom judgment is being entered' and 'a definite and certain designation of the amount ... owed.'" Id. (quoting Eaves v. County of Cape May, 239 F.3d 527 (3d Cir. 2001) at 532–33) (emphasis in original).

For the underlying Judgment of $2,302,649, post-judgment interest shall be calculated from July 29, 2025 using the rates established by 28 U.S.C. § 1961. Starting from the date of this Order, post-judgment interest must also accrue on the award of pre-judgment interest, the amount of which is certain as of the entry of this order.

IV. CONCLUSION

For these reasons, Plaintiff's Motion, ECF No. 94, is **GRANTED**.

The Court directs Plaintiff to submit its pre- and post-judgment interest calculations, identifying the total and Defendant-apportioned amounts, to Magistrate Judge Adams. The submission should include the amount of pre-judgment interest accrued as of July 29, 2025 on the Judgment. The submission should also include the total amount of post-judgment interest on the Judgment beginning July 29, 2025 through today. Finally, the submission should include the daily accrual rate of post-judgment interest on the total Judgment (including pre-judgment interest) starting as of the date on which this Order is entered.

SO ORDERED.

s/ Madeline Cox Arleo
MADELINE COX ARLEO
UNITED STATES DISTRICT JUDGE