UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

KEVIN DOOLEY KENT, in his capacity as Receiver for Broad Reach Capital, LP, et al., ***Plaintiff*,** **v.** **JORDAN DENISE, et al.,** ***Defendants*.**	**Civil Action No. 22-00388** **ORDER**

THIS MATTER comes before the Court by way of Plaintiff Kevin Dooley Kent's Motion for Default Judgment against Defendants Entercore Inc. ("Entercore") and Orange Splendor Inc. ("Orange Splendor") (together, "Defendants")[1] pursuant to Federal Rule of Civil Procedure 55(b), ECF No. 108 (the "Motion");

and it appearing that Plaintiff alleges that from at least February 2016 through 2019, Brenda Smith represented to investors that their money would be invested in "highly liquid securities through various sophisticated and profitable trading strategies with consistently high returns," see ECF No. 1 (the "Complaint") ¶¶ 22–24;

and it appearing that Plaintiff alleges a relatively small portion of investor funds were actually used for that purpose, with most investments being "moved through bank accounts Smith controlled, funneled into unrelated companies, used to pay back other investors, or utilized for Smith's personal use," (the "Investment Advisory Fraud"), id. ¶ 25;

[1] Plaintiff concurrently filed a Motion for Summary Judgment against Defendant Jordan Denise dated July 31, 2025. See ECF No. 106. As such, Plaintiff does not seek default judgment against Defendant Jordan Denise. See ECF No. 108 at 1.

and it appearing that in connection with the Investment Advisory Fraud, Plaintiff alleges that Brenda Smith, through her entities, transferred $1,040,000 to Defendant Entercore between January 26 and May 3, 2018, see id. ¶ 28;

and it appearing that Plaintiff alleges Defendant Jordan Denise ("Denise") is the "officer" of Entercore, Inc. and Orange Splendor Inc., ECF Nos. 4, 5, 18.1 at ¶ 3;

and it appearing that Plaintiff alleges the transfers to Entercore were "derived directly or indirectly from investments made by investors" and did not relate to trading strategies that Brenda Smith was authorized by investors to pursue, Compl. at ¶¶ 33–34;

and it appearing that Plaintiff alleges such transfers "were made with actual intent to hinder, delay and/or defraud" investors, id. ¶ 39;

and it appearing that Plaintiff alleges Defendants "did not take the fraudulent transactions in good faith, and did not provide any reasonably equivalent value" to investors "in exchange for these transfers," id. ¶ 43;

and it appearing that, pursuant to an action brought by the Securities and Exchange Commission against Brenda Smith (captioned SEC v. Brenda Smith, et al., No. 19-17213 (the "SEC v. Smith Action")), this Court appointed Plaintiff as Receiver "for the purpose of marshaling and preserving all assets" that Brenda Smith procured from investors and fraudulently transferred in connection with the Investment Advisory Fraud, see Compl. ¶ 7; see also id., Ex. B (the "Receivership Order");

and it appearing that the Receivership Order vests Plaintiff with the authority to demand an accounting from any party holding assets directly or indirectly acquired through the Investment Advisory Fraud, see Compl. ¶ 55; see also Receivership Order;

and it appearing that Plaintiff alleges Defendant Entercore, through Defendant Denise, received $1,040,000 in fraudulent transfers stemming from the Investment Advisory Fraud, see Compl. ¶ 28;

and it appearing that on January 26, 2022, Plaintiff commenced the present action against Defendants alleging a claim for fraudulent and voidable transfers (Count I); a claim for unjust enrichment (Count II); and an accounting of all assets received through transactions with Brenda Smith and entities under her control (Count III), see ECF No. 1;

and it appearing that Defendants have not appeared, answered, moved, or otherwise responded to the Complaint, see generally Docket;

and it appearing that on October 11, 2022, Plaintiff filed a request for a Clerk's entry of default as to Defendants pursuant to Federal Rule of Civil Procedure 55(a), which was granted on October 12, 2022, see ECF No. 18 & October 12, 2022 Docket Entry;

and it appearing that Plaintiff then filed the instant motion pursuant to Federal Rule of Civil Procedure 55(b);

and it appearing that Defendants have not opposed the Motion see generally Docket;

and therefore, "[D]efendants are deemed to have admitted the factual allegations of the Complaint by virtue of their default, except those factual allegations related to the amount of damages," Doe v. Simone, No. 12-5825, 2013 WL 3772532, at *2 (D.N.J. July 17, 2013);

and it appearing that the Court may enter default judgment only against properly served defendants, see Fed. R. Civ. P. 55(b); E.A. Sween Co., Inc. v. Deli Express of Tenafly, LLC, 19 F. Supp. 3d 560, 567 (D.N.J. 2014);

and it appearing that Defendants were properly served,[2] see ECF Nos. 4 & 5;

and it appearing that Plaintiff wrote to the Court requesting an extension of time for Defendants to file an Answer to the Complaint, which was granted, establishing a deadline of May 18, 2022 for Defendants to appear, answer, move, or otherwise respond to Plaintiff's Complaint, see ECF No. 7;

and it appearing that Federal Rule of Civil Procedure 55(b) authorizes a court to enter a default judgment against a properly served defendant who fails to file a timely responsive pleading, see Fed. R. Civ. P. 55(b); see also Allaham v. Naddaf, 635 F. App'x 32, 36 (3d Cir. 2015) ("The entry of default judgment is not a matter of right, but rather a matter of discretion.");

and it appearing that before entering default judgment pursuant to Rule 55(b), the Court must ensure that (1) it has subject matter jurisdiction over the matter and personal jurisdiction over the parties, (2) the parties have properly been served, (3) the complaint sufficiently pleads a cause of action, and (4) the plaintiff has proved damages, Days Inn Worldwide, Inc. v. Tulsipooja Hosp., LLC, No. 15-5576, 2016 WL 2605989, at *2 (D.N.J. May 6, 2016);

and it appearing that the Court has subject matter jurisdiction because this Court has federal question jurisdiction in the underlying SEC v. Smith Action,[3] and Plaintiff brings this ancillary action to fulfill the objectives of the Receivership Order, see 28 U.S.C. § 1367 ("[T]he district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the

[2] Federal Rule of Civil Procedure 4(h) provides for certain methods to properly effect service on a corporation and by "delivering a copy of the summons and of the complaint to an officer, a managing or general agent, or any other agent authorized by appointment or by law to receive service of process . . . ." Fed. R. Civ. P. 4(h)(1)(A).

Here, the Receiver hired a process server to serve Entercore and Orange Splendor by leaving a copy of the Summons and Complaint at the mailing address of Denise, an officer of Defendants, with a person of suitable age and discretion residing therein (a 55-year-old male). See ECF Nos. 4, 5. Entercore and Orange Splendor were therefore properly served.

[3] This Court has jurisdiction over all suits in equity and actions at law brought to enforce any liability or duty created by federal securities law pursuant to 15 U.S.C. § 77v(a) and 15 U.S.C. § 78aa.

action within such original jurisdiction that they form part of the same case or controversy . . . ."); see also SEC v. Invs. Sec. Corp., 560 F.2d 561, 567 (3d Cir. 1977) (finding that a district court has subject matter jurisdiction over ancillary securities proceedings brought by a "receiver act[ing] within the powers delegated by the court to accomplish ends sought by the underlying action . . . .");

and it appearing that the Court has personal jurisdiction over Defendants because: (1) Plaintiff timely filed a copy of the Complaint in the SEC v. Smith Action and a copy of the Receivership Order on Defendants in compliance with 28 U.S.C. § 754;[4] and (2) Defendants Entercore and Orange Splendor were properly served pursuant to Federal Rule of Civil Procedure 4(h)(1)(A) and 28 U.S.C. § 1692,[5] see SEC. v. Bilzerian, 378 F.3d 1100, 1103 (D.C. Cir. 2004) (finding personal jurisdiction over a non-resident holder of receivership assets when: (1) the receiver timely files a copy of the complaint and receivership order in the non-resident holder's district in accordance with Section 754; and (2) the non-resident holder of receivership assets received service of process pursuant to 4(k)(1)(C) and Section 1692), see 6:20-mc-00001 (D. Mont.), filed July 6, 2020, see 2:20-mc-00068 (C.D. Cal.), filed July 6, 2020;

and it appearing that venue is proper in this district pursuant to 28 U.S.C. § 1391, as "the proper venue for a civil action shall be determined without regard to whether the action is

[4] In relevant part, 28 U.S.C. § 754 provides that, "[a] receiver appointed in one district may obtain jurisdiction over property located in another district by filing in the district court of that district, within ten days after the entry of [the receiver's] order of appointment, a copy of the complaint and [the receiver's] order of appointment. . . . [Section 754 is] 'a stepping stone on [the court's] way to exercising in personam jurisdiction over' one who holds receivership assets in a remote district." SEC v. Bilzerian, 378 F.3d 1100, 1103 (D.C. Cir. 2004) (emphasis and alteration in original) (citing SEC v. Vision Commc'ns, Inc., 74 F.3d 287, 290 (D.C. Cir. 1996)).

[5] Federal Rule of Civil Procedure 4(k)(1) states, "[s]erving a summons or filing a waiver of service establishes personal jurisdiction over a defendant . . . when authorized by a federal statute." Courts have held that 28 U.S.C. § 1692 provides such authorization. See Vision Commc'ns, 74 F.3d at 290. 28 U.S.C. § 1692 states, "[i]n proceedings in a district court where a receiver is appointed for property, real, personal, or mixed, situated in different districts, process may issue and be executed in any such district as if the property lay wholly within one district, but orders affecting the property shall be entered of record in each of such districts."

local or transitory in nature," id., and the underlying SEC v. Smith Action is brought in this district, see also Receivership Order at 2 (reading "venue properly lies in [the District of New Jersey]");

and it appearing that service and notice to Defendants was proper, see ECF Nos. 4 & 5, 18.1 at ¶ 3;

and it appearing that before entering a default judgment, the Court must also determine whether the Complaint sufficiently pleads a cause of action and whether Plaintiff has proven damages, Chanel, Inc. v. Gordashevsky, 558 F. Supp. 2d 532, 536 (D.N.J. 2008);

and it appearing that Count I alleges that Defendant Denise made fraudulent and voidable transfers to Defendant Entercore within the meaning of the Pennsylvania Uniform Voidable Transactions Act ("PUVTA"), 12 Pa.C.S. § 5101, Compl. ¶¶ 28–38;

and it appearing that to succeed in a fraudulent and voidable transfer action under a PUVTA claim, a plaintiff must prove by a preponderance of the evidence that "(1) the plaintiffs are 'creditors' as defined by the statute; (2) the transfers were made with actual fraudulent intent; and (3) there are no viable defenses," Newtek Small Bus. Fin., LLC v. Texas First Cap., Inc., 644 F. Supp. 3d. 113, 120 (E.D. Pa. 2022) (citing Carroll v. Stettler, 941 F. Supp. 2d 572, 578 (E.D. Pa. 2013));

and it appearing that the PUVTA defines "creditor" as "[a] person that has a claim," Pa. C.S. § 5101(b);

and it appearing that Plaintiff alleges investors suffered harm from fraudulent transfers in the amount of $1,040,000 to Defendant Entercore, without investor authorization and without the Receivership Parties receiving anything of value for these transfers, Compl. ¶¶ 28, 32;

and it appearing that Plaintiff has, by operation of law, assumed the "powers, authorities, rights, and privileges" previously possessed by the investors to Brenda Smith's Investment Advisory Fraud, see Receivership Order at 5;

and it appearing that Plaintiff properly alleges he is a creditor as defined by the PUVTA;

and it appearing that the PUVTA requires that "the transfers were made with actual fraudulent intent," Newtek, 644 F. Supp. 3d at 120 (citations omitted);

and it appearing that "a guilty plea or criminal conviction of the perpetrator of the Ponzi scheme provides evidence of actual fraudulent intent," Leibersohn v. Campus Crusade for Christ, Inc., 280 B.R. 103, 111 (Bankr. E.D. Pa. 2002) (citations omitted);

and it appearing that Brenda Smith pleaded guilty to securities fraud, these transfers were made with actual fraudulent intent to satisfy the second prong of PUVTA, Compl. ¶ 5; ECF No. 106.2 ("SUMF") ¶¶ 4–5;

and it appearing that Defendants have failed to respond to the Complaint and thus have failed to provide any viable defenses to Plaintiff's claim and thereby satisfying the third prong of a PUVTA claim;

and it appearing that Plaintiff has sufficiently pleaded a cause of action under the PUVTA in Count I;

and it appearing that Count II alleges that Defendant Entercore was unjustly enriched through the series of transactions executed between January and May 2018, see Compl. ¶¶ 28, 45–48;

and it appearing that Count II alleges that Defendant Orange Splendor was unjustly enriched through contracts with the Receivership Parties, see Compl. ¶¶45–48; SUMF ¶¶ 78–81, 249;

and it appearing that to successfully plead a claim for unjust enrichment, Plaintiff must show "(1) the defendants received a benefit and (2) the retention of that benefit without payment would be unjust," Maersk Line v. TJM Int'l L.L.C., 427 F. Supp. 3d 528, 535 (D.N.J. 2019);

and it appearing that Plaintiff sufficiently alleges that Brenda Smith, using fraudulently obtained investor funds, conferred a benefit upon Entercore[6] in the form of unreturned monetary transfers and Entercore knowingly and voluntarily accepted and retained those benefits, see generally Compl. ¶¶ 46–48;

and it appearing that Plaintiff sufficiently alleges that Orange Splendor was a beneficiary of contracts with the Receivership Parties and, under those agreements, was entitled to share profits with Entercore, SUMF ¶¶ 88–94;

and it appearing that it would be inequitable and unjust for Defendants Entercore and Orange Splendor to retain those benefits without paying Plaintiff the value thereof because the transfers "bear no relationship to the [purported trading strategies that] investors of the [f]und had authorized Smith to pursue with their money," Compl. ¶ 34;

and it appearing that because such transfers constitute an unauthorized use of investor funds, Plaintiff has thus sufficiently pleaded a claim for unjust enrichment in Count II;

and it appearing that Count III alleges a demand for accounting, since Plaintiff lacks the information necessary to determine if other fraudulent transfers were made by Brenda Smith to Defendants, Compl. ¶¶ 49–55;

[6] Plaintiff does not allege that Brenda Smith transferred Receivership Assets to Defendant Orange Splendor, despite sufficiently alleging that Orange Splendor was party to some of the contracts at issue in the Investment Advisory Fraud. See ECF No. 106.1 at 6 ("As for Orange Splendor, there is no evidence that it received any Receivership Assets from Smith or any of the Receivership Parties; however, it was named as a party to certain agreements at issue in this matter that gave rise to the transfers in question and thus stood to benefit from the transfers.").

and it appearing that a demand for accounting is necessary "if the defendant is unjustly enriched, if the plaintiff sustained damages, or if an accounting is necessary to deter infringement," Banjo Buddies, Inc. v, Renosky, 399 F.3d 168, 178 (3d Cir. 2005) (citing George Basch Co., Inc. v. Blue Coral, Inc., 968 F.2d 1532, 1537 (2d Cir. 1992));

and it appearing that, for reasons stated herein, Plaintiff has sufficiently pleaded a claim for unjust enrichment (Count II) and therefore may demand an accounting;

and it appearing that although the Court accepts the facts pled in the Complaint "as true for the purpose of determining liability, the plaintiff must prove damages," Moroccanoil, Inc. v. JMG Freight Grp. LLC, No. 14-5608, 2015 WL 6673839, at *2 (D.N.J. Oct. 30, 2015);

and it appearing that the PUVTA authorizes judgment for the value of the asset transferred equal to the value of the asset at the time of transfer or "the amount necessary to satisfy the creditor's claim, whichever is less," see 12 Pa.C.S. § 5108(b)–(c);

and it appearing that an action for unjust enrichment requires "the defendant to pay the plaintiff the value of the benefit conferred," Clarity Software, LLC v. Allianz Life Ins. Co. of N. Am., No. 04-1441, 2006 WL 2346292, at *12 (W.D. Pa. Aug. 11, 2006) (citing Mitchell v. Moore, 729 A.2d 1200, 1203 (Pa. Super. Ct. 1999));

and it appearing that Plaintiff's Complaint alleges that Brenda Smith caused a net total of $1,040,000 to be transferred to or for the benefit of Defendants Entercore and Denise, and therefore Plaintiff seeks damages in the amount of $1,040,000 for the fraudulently transferred funds, see Compl. ¶ 28;

and it appearing that an imposition of pre- and post-judgment interest accruing from the date the funds were fraudulently transferred may be necessary to offset further losses;

and it appearing that actions brought under the PUVTA[7] and under a theory of unjust enrichment sound in equity;[8]

and it appearing that a court sitting in equity may impose an equitable trust or equitable lien to prevent unjust enrichment, see In re Brockway Pressed Metals, Inc., 363 B.R. 431, 455 (Bankr. W.D. Pa. 2007) ("The key consideration in determining whether to impose a constructive trust is, if in doing so, it would avoid or prevent unjust enrichment"); see also Albee v. Albee, No. 21-3984, 2024 WL 625218, at *15 (E.D. Pa. Feb. 14, 2024) ("Unjust enrichment may also constitute a ground for imposing an equitable lien. . . . [F]or an equitable lien to arise there must be a debt owing from one person to another, specific property to which the debt attaches, and an intent, expressed or implied, that the property will serve as security for the payment of the debt.") (quotation marks and citation omitted);

and it appearing that a constructive trust and/ or equitable lien with respect to any funds Defendants Denise or Entercore transferred to Orange Splendor may be necessary to prevent unjust enrichment, as Orange Splendor was a beneficiary of contracts related to the Investment Advisory Fraud, see SUMF ¶ 79;

and it appearing that the Receivership Order entitles the Receiver to demand an accounting from Defendants, which is also available as a remedy in actions sounding in law or in equity, see, e.g., Fudula v. Keystone Wire & Iron Works, Inc., 424 A.2d 921, 923 (Pa. Super. Ct. 1981) (citing Setlock v. Sutila, 282 A.2d 380, 381 (Pa. 1971)) (noting that an accounting can be demanded in an

[7] Section 5107 of the PUVTA enumerates: "In an action for relief against a transfer or obligation under this chapter, a creditor . . . may obtain: . . . (3) Subject to applicable principles of equity and in accordance with applicable rules of civil procedure: . . . (iii) any other relief the circumstances may require." 12 Pa.C.S. § 5107(3)(iii)

[8] "Unjust enrichment is an equitable remedy." DeFalco v. Douglas, No. 04-4506, 2005 WL 8175491, at *4 (D.N.J. Apr. 13, 2005).

action in assumpsit, but that equity also has jurisdiction over an action for accounting when "the accounts are mutual or complicated or when discovery is needed and material to the relief");

and it appearing that after a court is satisfied that the prerequisites for entering default have been met, it must consider the following three factors: "(1) prejudice to the plaintiff if default is denied; (2) whether the defendant appears to have a litigable defense; and (3) whether defendant's delay is due to culpable conduct," Walker v. Pennsylvania, 580 F. App'x 75, 78 (3d Cir. 2014) (quoting Chamberlain v. Giampapa, 210 F.3d 154, 164 (3d Cir. 2000));

and it appearing that Plaintiff will suffer prejudice absent an entry of default judgment, as "Plaintiff has no other means of seeking damages for the harm caused by Defendant[s]," Gowan v. Cont'l Airlines, Inc., No. 10-1858, 2012 WL 2838924, at *2 (D.N.J. July 9, 2012); see also Bank of Hope v. Chon, No. 14-1770, 2020 WL 1193071, at *4 (D.N.J. Feb. 18, 2020) (explaining that the defendant's failure to respond prejudiced the plaintiff, "because he has been prevented from prosecuting [his] case . . . and seeking relief in the normal fashion") (quotation marks and citation omitted);

and it appearing that, accepting the allegations in the Complaint as true, Defendants do not appear to have a meritorious defense, see HICA Educ. Loan Corp. v. Surikov, No. 14-1045, 2015 WL 273656, at *3 (D.N.J. Jan. 22, 2015) (weighing this factor in plaintiff's favor where the defendant failed to respond with "evidence or facts containing any information that could provide the basis for a meritorious defense");

and it appearing that Defendants' failure to respond to the Complaint, in the face of allegations of substantial financial injuries, is sufficient to infer culpability, see U.S. Small Bus. Admin. v. Silver Creek Const. LLC, No. 13-6044, 2014 WL 3920489, at *5 (D.N.J. Aug. 11, 2014); Nationwide Mut. Ins. Co. v. Starlight Ballroom Dance Club, Inc., 175 F. App'x 519, 523 (3d Cir.

2006) (holding that defendant's failure to respond to communications from plaintiff and court supported a finding of culpability);

IT IS on this 26 day of March, 2026;

ORDERED that Plaintiff's Motion for Default Judgment, ECF No. 108, is **GRANTED**; and it is further

ORDERED that judgment is hereby entered against Defendant Entercore, Inc. in the amount of $1,040,000, which represents the net total of fraudulent/voidable transfers to and/or for the benefit of Entercore. Defendant Entercore, Inc. is jointly and severally liable with Defendant Jordan Denise for this judgment; and it is further

ORDERED that a constructive trust and equitable lien with respect to any funds or assets Defendants Denise or Entercore transferred to Orange Splendor are hereby imposed with respect to Defendant Orange Splendor to the extent necessary to satisfy the Judgment against Defendants Entercore and Denise; and it is further

ORDERED that Defendants Entercore, Inc. and Orange Splendor, Inc. shall provide to Plaintiff an accounting of any and all assets received from, payments made on their behalf by, or transactions engaged in with, 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/or Tempo Resources LLC from 2016 through the present, within ten (10) days of the entry of this Order; and it is further

ORDERED that Plaintiff may submit a motion for the imposition of pre- and/or post-judgment interest on the monetary judgment entered against Defendants Entercore, Inc. within thirty (30) days of the entry of this Order.

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