

**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 26, 2026

VIA ECF

All Parties and Counsel of Record

LETTER ORDER

**Re: Kevin Dooley Kent v. Jordan Denise, et al.
Civil Action No. 22-00388**

Dear Litigants:

Before the Court is Plaintiff Kevin Dooley Kent's, in his capacity as Receiver for the Receivership Parties,¹ Motion for Summary Judgment against Defendant Jordan Denise ("Denise"). ECF No. 106 (the "Motion"). The Motion is unopposed. For the reasons set forth below, the Receiver's Motion is **GRANTED**.

I. BACKGROUND

The Receiver filed this lawsuit against Defendants Jordan Denise ("Denise") and entities Entercore, Inc. ("Entercore") and Orange Splendor, Inc. ("Orange Splendor," and collectively with Denise and Entercore, "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.² The Receiver asserts that Receivership Parties Investment Consulting, LLC ("Investment Consulting"), CV Investments LLC, and Bristol Advisors LLC caused \$1,040,000 to be transferred to and/or for the benefit of Denise and the entities he controlled between January 26, 2018 and May 3, 2018. Mot. at 1. The Receiver seeks to recover those funds for the defrauded investors through this action.

¹ This case is related to SEC v. Smith, et al., No. 19-17213 (the "Smith Action"), an SEC enforcement action in which this Court appointed Plaintiff to serve as Receiver over various entities (the "Receivership Parties") associated with Brenda Smith and her Ponzi scheme. See Smith Action, ECF No. 22 (the "Receivership Order").

² The Court recently granted the Receiver's Motion for Default Judgment against Entercore and Orange Splendor, in which the Court held Denise jointly and severally liable for the judgment against Entercore and imposed a constructive trust and equitable lien upon Orange Splendor for any funds or assets Denise or Entercore transferred to Orange Splendor, to the extent necessary to satisfy the \$1,040,000 Judgment. See ECF No. 111.

Specifically, the Receiver seeks to recover \$1,040,000 transferred to and/or for the benefit of Defendants between January 26, 2018 and May 3, 2019. Mot. at 1.

A. Undisputed Material Facts³

Denise is a California resident and officer of Entercore and Orange Splendor. SUMF ¶¶ 32–34. While she was unemployed in 2017, Denise began to look for employment opportunities in the financial services sector. Id. ¶ 67. Denise and Smith became acquainted in 2017, and in early 2018, Denise presented Smith with a Collateral Provider Agreement between Edward C. Britton Sr Trust and Orange Splendor, Inc. Id. ¶¶ 68, 78–79. Through this agreement, Edward Britton (“Britton”) and Denise would secure collateral for a Standby Letter of Credit (“SBLC”), by which they stood to earn a significant payout if monetized (the “ABOC Transaction”). Id. ¶¶ 79–81. Once the Collateral Provider Agreement was executed, Denise sent Smith a Joint Participation Agreement, which Smith subsequently signed. Id. ¶¶ 82–84. Denise then devised a Profit Sharing Agreement between her and Smith, which entitled Smith to fifty percent of the profits Denise earned as a result of the SBLC. Id. ¶¶ 88–96.

As an initial payment, Smith caused Investment Consulting to transfer \$50,000 to Denise through Entercore. Id. ¶ 85. The understanding was that Denise would transfer these funds to Britton, but Denise only transferred \$30,000 to him. Id. ¶ 86. Throughout the course of this agreement, this pattern continued: Smith transferred Receivership Funds to Denise through Entercore, and Denise sent only a fraction of the transferred funds to Britton. See, e.g. id. ¶¶ 104–110, 115–117, 125–128. Britton continually asked Denise for the funds he was promised. See, e.g. id. ¶¶ 102, 112, 124. Denise passed Britton’s requests along to Smith, omitting that Britton had not received the expected amounts because she was siphoning off the money that Smith was transferring to Entercore. See, e.g. id. ¶¶ 107, 113, 125. On March 20, 2018, Britton emailed Smith and Denise together, asking about the status of a transfer he expected to receive. Id. ¶ 133. Hours later, Denise forwarded Britton’s email to Smith, telling Smith to disregard the email because “Edward [Britton] is attempting to collect fees direct that are to go to the banker at ABOC that with this knowledge I have been with-holding from him.” Id. ¶ 134. This is one of many misleading communications that Denise sent to Britton and/or Smith during her role as the go-between during the ABOC Transaction. See, e.g. id. ¶¶ 135, 136, 138, 140, 141. Smith and Britton met in person in Hong Kong around May 2018 and thereafter, Smith stopped corresponding with Denise. See id. ¶ 73. There is no evidence suggesting that the ABOC Transaction was ever completed,⁴ so Smith, Denise, and Britton never received proceeds from the transaction. See id. ¶ 73.

While the ABOC Transaction was ongoing, Denise enlisted Smith’s help in attempting to purchase a multi-million dollar home in California in Entercore’s name. Smith gave Denise \$200,000 from Investment Consulting for the escrow deposit on the mansion. See id. ¶¶ 164–

³ The Court draws the following facts from the Receiver’s Statement of Undisputed Material Facts (“SUMF”), ECF No. 106.2. Denise has filed no objections. Under Local Rule 56.1, facts submitted in the statement of material facts which remain uncontested by the opposing party are deemed admitted. L. Civ. R. 56.1.

⁴ It is unclear whether the ABOC Transaction ever could have been completed. According to the Receiver’s expert, Michael Shanahan, “the purported SBLC at the center of the [ABOC Transaction] appears itself to have been fraudulent.” Id. ¶ 251.

167. Smith corresponded with the realtors, escrow agent, and seller of the home to misrepresent Denise's financial position. For example, Smith sent Denise a letter enclosing Broad Reach brokerage account statements as "proof of funds" for the purchase, saying "[h]ere is the latest statement. I am confirming that Denise Jordan is a partner in Broad Reach. The funds are very liquid and easily transferrable in the United States." Id. ¶ 162. The purchase of the California home ultimately fell through because Denise did not close escrow. See id. ¶¶ 182–183. The \$200,000 deposit of Investment Consulting's funds was lost. See Mot. at 14.

Denise has filed no opposition to Plaintiff's Motion.

II. LEGAL STANDARD

The moving party is not automatically entitled to summary judgment if the opposing party does not respond. See Anchorage Associates v. Virgin Islands Bd. of Tax Review, 922 F.2d 168 (3d Cir. 1990). Pursuant to Federal Rule of Civil Procedure 56(a), the Court will grant a motion for summary judgment if the record shows that there is no genuine dispute as to any material fact and that the moving party is entitled to judgment as a matter of law. See Scanlan v. Am. Airlines Grp., 102 F.4th 164, 170 (3d Cir. 2024). A factual dispute is "genuine" when the "evidence is such that a reasonable jury could return a verdict for the nonmoving party." Physicians Healthsource, Inc. v. Cephalon, Inc., 954 F.3d 615, 618 (3d Cir. 2020). "A fact is material if 'it might affect the outcome of the suit under the governing law.'" Id. (quoting Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986)). The Court construes all facts and inferences in the light most favorable to the non-moving party. See id. At the summary judgment stage, the Court's role is not to weigh the evidence or determine the ultimate truth of the allegations. Baloga v. Pittston Area Sch. Dist., 927 F.3d 742, 752 (3d Cir. 2019).

III. ANALYSIS

A. Fraudulent/Voidable Transfer Claims Against Denise (Count I)

The applicable statute, the Pennsylvania Uniform Voidable Transactions Act ("PUVTA"), 12 Pa.C.S. § 5101, et seq., provides the basis for avoiding transfers:

(a) General rule.--A transfer made or obligation incurred by a debtor is voidable as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

(1) with actual intent to hinder, delay or defraud any creditor of the debtor; or

(2) without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

(i) was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction;
or

(ii) intended to incur, or believed or reasonably should have believed that the debtor would incur, debts beyond the debtor's ability to pay as they became due.

12 Pa.C.S. § 5104(a).

(a) General rule.--A transfer made or obligation incurred by a debtor is voidable as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

Id. § 5105(a). These claims must be proven by preponderance of the evidence. See id. §§ 5104(c) & 5105(b).

Claims brought under Section 5104(a)(1) are based on actual fraud and claims brought under Sections 5104(a)(2) and 5105 are based on constructive fraud. See In re Carbone, 615 B.R. 76, 79 (Bankr. E.D. Pa. 2020); Tiab Comm. Corp. v. Keymarket of Nepa, Inc., 263 F. Supp. 2d 925, 934 (M.D. Pa. 2003). The Receiver brings his claims against Denise under both Sections 5104(a)(1) and 5105. Mot. at 15–17.

1. Smith's guilty plea conclusively establishes her intent to defraud and renders all transfers to Defendants voidable for actual fraud under Section 5104(a).

The Receiver demonstrates that all transfers from the Receivership Parties to or for the benefit of Denise are fraudulent/voidable under Section 5104(a).

Claims brought under Section 5104(a)(1) are based on actual fraud. See In re Carbone, 615 B.R. at 79. "Intent to defraud any creditor is sufficient" for such claims. Tiab, 263 F. Supp. 2d at 935. Typically, actual fraud is proven by circumstantial evidence and with consideration of "badges of fraud," see In re Carbone, 615 B.R. at 80, but those considerations are not necessary where—as here—fraudulent intent is admitted. Where the person who initiated the transfer pleads guilty to charges relating to the fraud, the guilty plea conclusively establishes the intent to defraud for purposes of establishing a fraudulent/voidable transfer claim and has a collateral estoppel effect on subsequent litigation. See, e.g., In re Slatkin, 525 F.3d 805, 813–14 (9th Cir. 2008) (holding that an admission, through a guilty plea, that the debtor operated a Ponzi scheme conclusively establishes fraudulent intent and precludes re-litigation of that issue, and that payments received by investors as purported profits are deemed fraudulent transfers as a matter of law); Carroll v. Stettler, 941 F. Supp. 2d 572, 578–579 (E.D. Pa. 2013) (holding that a guilty plea regarding the operation of a Ponzi scheme is sufficient to establish an intent to defraud in connection with a fraudulent transfer claim).

Here, Smith's guilty plea conclusively establishes that her transfers of Receivership Assets to and/or for the benefit of Defendants were made with the actual intent to hinder, delay, and/or

defraud the Receivership Parties' creditors and/or debtors and were therefore voidable under Section 5104(a)(1). See SUMF ¶¶ 1–5, 248.

2. Denise failed to plead the affirmative defense available under Section 5108(a).

Section 5108(a) of PUVTA provides that an otherwise voidable transfer based on actual fraud is not voidable “against a person that took in good faith and for a reasonably equivalent value given the debtor[.]” See 12 Pa.C.S. § 5108(a). This affirmative defense requires a defendant to both plead and prove (1) good faith or innocence on the part of the transferee, and (2) reasonably equivalent value. See In re Lockwood Auto Grp., Inc., 428 B.R. 629, 636 (Bankr. W.D. Pa. 2010); In re Incare, LLC, No. 13-14926, 2018 WL 2121799, at *14 (Bankr. E.D. Pa. May 7, 2018). The transferee bears the burden to prove the availability and applicability of this defense by a preponderance of the evidence. See 12 Pa.C.S. § 5108(f)(1), (g).

Here, Denise has neither pleaded nor proven this affirmative defense. Denise did not assert any affirmative defenses in her Answer to the Complaint. See ECF No. 8. Thus, she has waived the available affirmative defense. See Schwartzman v. Hutchison, No. 11-1349, 2011 WL 4471059, at *4 (E.D. Pa. Sept. 27, 2011) (explaining that “because [the defendant] did not raise any affirmative defenses in her Answer, she has waived the ‘good faith’ defense” under Section 5108(a)).

3. The Receiver has established that all transfers from Investment Consulting to/for the benefit of Denise are fraudulent/voidable under Section 5105(a).

The party “challenging [a] transfer bears the burden of proving all of the elements of a constructive fraudulent transfer claim under [] § 5104(a)(2) and § 5105.” In re Island View Crossing II, L.P., 604 B.R. 181, 196 (Bankr. E.D. Pa. 2019) (internal citations omitted). Good faith will not bar constructive fraud claims under Section 5105 where insolvency and failure to provide reasonably equivalent value have been established. See 12 Pa.C.S. § 5108(a).

First, voidable transfer claims brought under Section 5105(a) require a showing of insolvency. See id. § 5102(a) (“A debtor is insolvent if, at fair valuation, the sum of the debtor’s debts is greater than the sum of the debtor’s assets.”); id. § 5102(b) (providing that insolvency is generally presumed when a debtor is not paying its debts as they become due).

Here, the undisputed facts set forth by the Receiver demonstrate that Investment Consulting was insolvent at the time it made the transfers to Denise. The Receiver’s expert, Michael Shanahan, explained that Smith “controlled more than forty bank accounts associated with entities that had no economic connection to Broad Reach or TA1[.]” and would “routinely transfer funds between and among these accounts before ultimately transferring monies to a third-party, either for an investment or some other purpose[.]” SUMF ¶ 244. Shanahan reviewed Investment Consulting’s cash transactional activity and observed that “[e]ach transfer to Investment Consulting result[ed] in a corresponding liability owed to the Receivership Party that transferred the funds.” Id. ¶ 245. Shanahan ultimately concluded that Investment Consulting was insolvent as of March 31, 2016, because its liabilities exceed the Fair Market Value of its Assets. See id. ¶

246. Shanahan opined that Investment Consulting remained insolvent at all relevant time periods, including during the period in which the transfers at issue here were made. See id. ¶ 247. Denise does not dispute these facts.

Second, for the reasons set forth in Section III.A.2., supra, Denise did not provide reasonably equivalent value in exchange for Investment Consulting’s transfers to her or for her benefit and thus such transfers are voidable under § 5105(a).

4. The Receiver is entitled to recover damages in the amount of the voidable transfers made to Denise or for her benefit.

The statute authorizes voidable transfer claims to be brought against, inter alia, the first transferee or the person for whose benefit the transfer was made. See 12 Pa.C.S. § 5108(b). Here, all the transfers at issue were made to or for the benefit of Denise, see SUMF ¶¶ 189–236; thus, the Receiver can bring these claims directly against Denise for the full value of the assets transferred. See § 5108(b)(1), (c). The Receiver seeks recovery for voidable transfers either made to Denise or for her benefit in the amount of \$1,040,000. Mot. at 31–35. The undisputed facts set forth by the Receiver demonstrate that judgment in that amount is warranted.

Investment Consulting transferred a total of \$1,040,000 to Defendant Entercore between January 26, 2018 and May 3, 2018. See SUMF ¶¶ 189–91. Entercore’s account was controlled by Denise. See id. ¶ 191. “Denise treated the Entercore account as her own, as evidenced by the tens of thousands of dollars spent at, inter alia, various luxury stores, boutiques, and storage facilities; thousands of dollars paid to medical insurance carriers; over a thousand dollars spent on animal hospital bills...” Mot. at 34. As noted, supra I.A., Denise attempted to purchase a property in California with Receivership Assets. See SUMF ¶¶ 152–183. There is no evidence that Denise was employed by Smith or any of the Receivership Parties, and there is no evidence that Denise ever received W-2s, 1099s, or Schedule K-1s from Smith or any of the Receivership Parties. See id. ¶ 75.

Accordingly, the Court is satisfied that the Receiver has demonstrated that judgment for the full amount of the net transfers—\$1,040,000—is warranted. Summary judgment is granted in favor of the Receiver as to Count I.

B. Unjust Enrichment (Count II)

The undisputed facts demonstrate that the Receiver is entitled to summary judgment on his unjust enrichment claim. To prove an unjust enrichment claim, the Receiver must show that “(1) a benefit was conferred on the defendant; (2) the defendant retained that benefit; and (3) it would be inequitable for the defendant to retain the benefit without paying the full value for it.” Beltz v. Erie Indem. Co., 279 F. Supp. 3d 569, 585 (W.D. Pa. 2017), aff’d, 733 F. App’x 595 (3d Cir. 2018). Here, a net total of \$1,040,000 in Receivership Assets was transferred to or for the benefit of Denise. See SUMF ¶ 189. Denise retained and appreciated the receipt of the Receivership Assets. See, e.g. id. ¶¶ 205, 208, 211–214. And it would be wholly inequitable for Denise to retain the Receivership Assets because she did not work for any of the Receivership Parties that paid money to her or Entercore. See id. ¶ 75. Therefore, summary judgment is granted in favor of the Receiver as to Count II.

C. Joint and Several Liability for Judgments Against Denise and Entercore

The Court finds that all the transfers at issue here to or for the benefit of Entercore also conferred a benefit on and unjustly enriched Denise personally. To avoid any doubt, however, the Court also finds that Denise can be jointly and severally liable for those amounts based on an alter ego and participation theory.

Generally, a corporate officer who takes part in the commission of a tort by the corporation is personally liable for that tort. See Wicks v. Milzoco Builders, Inc., 470 A.2d 86, 90 (Pa. 1983). Liability imposed under this theory is not predicated on a finding that the corporation was a sham or mere alter ego of the officer. See id. Courts may impose liability on the individual controlling the corporation when the company is not a bona fide independent entity, and its acts are really those of the individual. See Sereda v. Ctr. City Acquisitions, LLC, 222 A.3d 1161, 1168 (Pa. Super. Ct. 2019). The “legal fiction of a separate corporate entity” “will be disregarded whenever justice or public policy demand and when the rights of innocent parties are not prejudiced nor the theory of the corporate entity rendered useless.” See Ashley v. Ashley, 393 A.2d 637, 641 (Pa. 1978); Sereda, 222 A.3d at 1168 (holding that a corporate veil can be pierced under the alter ego theory when the individual controls the corporation). It is proper to pierce the corporate veil where an individual in control of a corporation uses that control or corporate assets to further her own personal interests or for her own personal benefit. See Coll. Watercolor Grp. v. William H. Newbauer, Inc., 360 A.2d 200, 207 (Pa. 1976); Ashley, 393 A.2d at 641.

Denise was the President of Entercore. SUMF ¶ 93. Denise had “signatory authority and control at all times relevant to this action.” Id. ¶ 49. Denise stated that Entercore’s business purpose was marketing support, but that no business was conducted. See id. ¶ 48. Accordingly, Denise “freely used Entercore funds for personal purposes,” Id. ¶ 253. For example, as discussed supra I.A., Denise attempted to purchase a mansion in California in Entercore’s name. See SUMF ¶¶ 152–183. Denise admitted that she viewed the \$200,000 “as a personal arrangement between” her and Smith. Id. at ¶ 167. The funds that Smith transferred to Denise through Entercore are the funds that the Receiver seeks to recover in this action. See, e.g. id. ¶¶ 214–225.

Accordingly, even if the Court found that Denise was not the direct recipient or beneficiary of the transfers at issue here, Denise would still be personally liable for judgments against Entercore under an alter ego and participation theory.

IV. CONCLUSION

For the reasons stated above, the Receiver’s Motion for Summary Judgment, ECF No. 106, is **GRANTED**.

Judgment is hereby entered in favor of the Receiver and against Defendant Jordan Denise in the amount of \$1,040,000, which represents the net total of fraudulent/voidable transfers to and/or for the benefit of Jordan Denise. Of the judgment amount, \$1,040,000 represents the amount for which Defendant Jordan Denise is jointly and severally liable with Defendant Entercore, Inc. The Receiver may submit a motion for imposition of pre- and/or post-judgment

interest against Defendant Jordan Denise within thirty (30) days of the entry of this Order and Judgment.

SO ORDERED.

s/ Madeline Cox Arleo

MADELINE COX ARLEO

UNITED STATES DISTRICT JUDGE