

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NO.: 0:21-cv-61176-AHS**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**PROPERTY INCOME INVESTORS LLC,  
EQUINOX HOLDINGS INC.,  
PROPERTY INCOME INVESTORS 26 LLC,  
PROPERTY INCOME INVESTORS 304 LLC,  
PROPERTY INCOME INVESTORS 201 LLC,  
PROPERTY INCOME INVESTORS 3504 LLC,  
PROPERTY INCOME INVESTORS 1361 LLC,  
PROPERTY INCOME INVESTORS 4020 LLC,  
PROPERTY INCOME INVESTORS 9007 LLC,  
PROPERTY INCOME INVESTORS 417 LLC,  
PROPERTY INCOME INVESTORS 4450 LLC,  
PROPERTY INCOME INVESTORS 3050 LLC,  
LARRY B. BRODMAN, AND  
ANTHONY NICOLOSI (F/K/A ANTHONY  
PELUSO)**

**Defendants.**

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S  
UNOPPOSED EXPEDITED MOTION AND MEMORANDUM OF LAW  
FOR APPOINTMENT OF RECEIVER**

Plaintiff Securities and Exchange Commission respectfully moves for an Order appointing a Receiver over Defendants Property Income Investors LLC (“PII”), Equinox Holdings Inc. (“Equinox”), Property Income Investors 26 LLC (“PII 26 LLC”), Property Income Investors 304 LLC (“PII 304 LLC”), Property Income Investors 201 LLC (“PII 201 LLC”), Property Income Investors 3504 LLC (“PII 3504 LLC”), Property Income Investors 1361 LLC (“PII 1361 LLC”), Property Income Investors 4020 LLC (“PII 4020 LLC”), Property Income Investors 9007 LLC

(“PII 9007 LLC”), Property Income Investors 417 LLC (“PII 417 LLC”), Property Income Investors 4450 LLC (“PII 4450 LLC”), and Property Income Investors 3050 LLC (“PII 3050 LLC”) (collectively, the “Property Entities”) with full and exclusive power, duty, and authority to: administer and manage the business affairs, funds, assets, choses in action, and any other property of the Property Entities, including real property; marshal and safeguard the Property Entities’ assets; and take whatever actions are necessary for the protection of investors. The Property Entities have consented to the appointment of a receiver, and the Commission requests that the Court appoint a receiver at the earliest opportunity so that a court-supervised fiduciary can begin to wind-up the Property Entities’ affairs.

## I. FACTS

Below is a summary of the factual allegations in the Complaint, which the Property Entities stipulated the Court may base its determination of this motion. *See* Consent of Property Entities at ¶ 4, filed contemporaneously herewith.

### A. The Unregistered Securities Offerings

From at least January 2016, Larry B. Brodman (“Brodman”) began soliciting money from investors through a series of unregistered securities offerings in PII and the Property Entities in order to fund his residential real estate business. The securities sold were in the form of “Membership Interests” in PII and the Property Entities, with the exception of Equinox where the investments sold were common stock in that company. Brodman founded PII in March 2016, and he served as its Managing Member and CEO at all relevant times. PII marketed itself as a “real estate investment company based in South Florida with a focus on multifamily, turnkey properties.” Brodman subsequently formed the Property Entities, each for a specific multi-family residential property.

Brodman and PII created offering materials for the Property Entities offerings that were disseminated to investors. The offering materials included a private placement memoranda (“PPM”), an “Operating Agreement,” a “Subscription Agreement” which included an “accredited investor” questionnaire, and packets containing information about the properties to be purchased. The purported purpose of the offerings was to raise money for the purchase of turnkey multifamily properties located in South Florida, which would then be renovated, rented to tenants, and eventually sold.

The offering materials provided to investors stated that offering proceeds would be used almost entirely for the acquisition of investment properties and “capital improvements.” According to the materials, investors would receive regular distributions of rent collected from the properties in which they invested, as well as a portion of property sale proceeds. The subscription documents included in the materials for each of the Property Entities offerings claimed that investor funds from the offering were to be used to purchase a specific multi-family residential property. If an investor agreed to invest, they were required to sign the Subscription Agreement. The role of the investors was limited to investing money into the venture. Investors had no control over PII or Property Entities or the purchase, renovation, rental, management, or sale of the properties. They relied solely on Defendants to generate profits.

The Membership Interests and common stock are investment contracts, and therefore securities, within the meaning of the Securities Act and the Exchange Act. PII and the Property Entities solicited and raised money from investors through a network of sales agents, including Nicolosi, none of whom were registered as brokers or associated with registered broker-dealers during the relevant time period. The sales agents were paid a commission on each new investor sale, which came out of investor funds. During sales calls, PII’s sales agents gave prospective

investors a general description of the investment opportunity and told them that their money would be used to purchase and renovate properties. Investors were also told about the profits they could expect to receive from the venture, including that investors could expect quarterly distributions of profits from rental income totaling approximately 7.5% annually, and that the investor would also be entitled to a proportional share of profits from any eventual property sale. PII, Property Entities, Brodman, and Nicolosi directly offered and sold these securities through offerings that were not registered with the Commission, and there were no valid exemptions from registration available.

**B. Amounts Raised for Each of the Property Entities**

From at least January 2016 through September 2020 (“Relevant Period”), PII and Brodman raised approximately \$9.06 million from about 156 investors residing in 26 states through a series of unregistered securities offerings in PII and the Property Entities. The following chart lists the investment dates and total amounts raised for each of the offerings:

<b>Issuer</b>	<b>First Investment</b>	<b>Last Investment</b>	<b>Amount Raised</b>
<b>Equinox Holdings, Inc.</b>	1/1/2016	8/5/2020	\$2,146,375
<b>PII LLC</b>	10/1/2016	6/30/2019	\$1,932,775
<b>PII 26 LLC</b>	12/1/2016	1/31/2019	\$375,758
<b>PII 304 LLC</b>	2/1/2017	9/11/2020	\$972,000
<b>PII 201 LLC</b>	2/1/2017	3/31/2017	\$93,500
<b>PII 3504 LLC</b>	6/1/2017	8/31/2017	\$521,754
<b>PII 1361 LLC</b>	9/1/2017	9/30/2019	\$829,650
<b>PII 4020 LLC</b>	11/6/2017	2/28/2018	\$296,000
<b>PII 9007 LLC</b>	2/1/2018	5/31/2018	\$514,250
<b>PII 417 LLC</b>	4/23/2018	1/31/2019	\$286,075

<b>PII 4450 LLC</b>	10/1/2018	8/31/2019	\$424,700
<b>PII 3050 LLC</b>	6/1/2019	8/31/2019	\$673,445
<b>Total</b>			<b>\$9,066,281</b>

### **C. Misappropriation and Misuse of Investors' Funds**

PII and the Properties Entities each maintained its own separate bank account. Brodman was the sole signatory on all of the PII and Property Entities bank accounts. Although investor funds were initially deposited into the bank account of the applicable offering entity, the funds were later transferred out and commingled with monies from other Property Entities. After sending in their money, investors sometimes received quarterly account statements from PII showing the investor's principal investment amount and purported dividends earned to date. PII and the Property Entities, through Brodman, told prospective investors that offering proceeds would be used for the acquisition of investment properties and for capital improvements on those properties. The PPMs distributed to investors also specifically provided that Brodman was not to receive any "compensation or management fees while overseeing the [offering entity's] operations." The PPMs and Operating Agreements instead stated that Brodman would receive 30% of net profits from rent paid, with investors receiving the remaining 70% of rental profits. In addition, Brodman would receive 50% of the profits from any property sales, with the remainder being distributed to investors.

PII and the Property Entities have spent approximately \$4.1 million of investor funds on the acquisitions of twelve multi-family residential properties, with purchase prices ranging from \$265,000 to \$1.25 million. The companies spent another \$752,000 in investor money to renovate and maintain the properties. PII and the Property Entities currently own nine properties, which

are all located in the South Florida area. PII and the Property Entities have generated about \$1.04 million in rent payments from tenants on the properties.

The companies did not distribute any profits from property sales to investors during the Relevant Period. Based on the disclosures in the offering materials, Brodman was entitled to receive, at most, a total of approximately \$312,000 (rental income of \$1.04 million multiplied by 30%) as his share of the profits from the businesses. However, even after offsetting this \$312,000, Brodman misappropriated approximately \$1.12 million in investor funds, which was diverted into his personal account. In addition, Brodman, PII, and the Property Entities misused approximately \$1.2 million in investor funds by paying undisclosed sales commissions to sales agents, including Nicolosi. The only relevant disclosure in the offering materials regarding sales commissions to brokers, stated that “[we] may retain the services of licensed brokers/dealers and compensate these broker/dealers with a cash commissions not to exceed 10% of the proceeds raised (emphasis added).” PII’s sales agents – including Nicolosi – were not licensed or registered as brokers or associated with registered broker-dealers at the time they offered and sold these investments. Moreover, at least \$124,000 of purported profits distributed to investors were in reality payments funded by other investors, as the amounts distributed to investors exceeded the investors’ share of the rental income by this amount. In addition, a significant portion of \$460,000 raised from two investors in August and September 2020 was immediately distributed to investors in payments mischaracterized as “quarterly profits” distributions and used to redeem an earlier investor. In total, PII, Property Entities, and Brodman misappropriated and misused approximately \$2.44 million of the offering proceeds.

## **II. APPOINTMENT OF A RECEIVER OVER DEFENDANTS AND RELIEF DEFENDANTS IS APPROPRIATE**

The appointment of a receiver is a well-established equitable remedy available to the

Commission in civil enforcement proceedings. *See, e.g., SEC v. First Financial Group of Texas*, 645 F.2d 429, 438 (5th Cir. 1981); *see generally* Section 22(a) of the Securities Act of 1933, 15 U.S.C. § 77(v)(a); and Sections 21(d)(5) and 27 of the Securities Exchange Act of 1934, 15 U.S.C. §§ 78u(d)(5), 78aa. Appointing a receiver is particularly appropriate in cases where a defendant, through its management, has defrauded members of the investing public. *First Financial*, 645 F.2d at 438. In such cases, without the appointment of a receiver to maintain the *status quo*, the investor assets will be subject to diversion and waste to the detriment of those who were induced to invest in the scheme. *Id.* at 438; *see also SEC v. R.J. Allen & Associates, Inc.*, 386 F. Supp. 866, 878, 879 (S.D. Fla. 1974) (“Where, as here, the defendant corporation is insolvent, has converted customer funds and its management has used the corporate vehicle to engage in serious violations of the securities laws, it is appropriate to appoint a receiver for the corporate defendant.”). A receiver is appropriate to “protect the public interest” when it is obvious that those in control of an entity who “have inflicted serious detriment in the past must be ousted.” *SEC v. Bowler*, 427 F.2d 190, 198 (4th Cir. 1970).

Here, the Complaint’s allegations, upon which the Property Entities stipulated the Court may base its determination of this motion, show that the Defendants in this action have, with scienter, misappropriated and misused approximately \$2.44 million of the offering proceeds, that the Property Entities lack sufficient liquidity to pay investors, and that an orderly wind-up of the Property Entities’ affairs is required. At this juncture, the Property Entities need a Court-appointed Receiver to act in their best interests and to maximize value for defrauded investors.

### **III. COMMISSION’S RECEIVER RECOMMENDATION**

The Commission’s staff has solicited expressions of interest from three potential receivers it believes are well-suited to handle this matter, and attaches the credentials of these candidates as

Exhibits 1, 2, and 3 to this motion. After considering these candidates, the Commission's staff believes the interests of defrauded investors would best be served by appointing Jeffrey L. Cox to serve as Receiver over Property Entities. Mr. Cox, whose credentials are attached as Exhibit 1, is a partner with Sallah Astarita Cox, LLC, with over 21 years of extensive experience in securities litigation and asset recovery. For example, Mr. Cox has served as lead counsel to the receiver in an \$80 million Ponzi scheme and in a deceptive debt recovery scheme involving 30,000 consumers and losses of \$14 million. If appointed as Receiver, Mr. Cox intends to have significant involvement in all tasks required to efficiently resolve the issues related to this matter. Mr. Cox and the firm have agreed to discount their normal hourly rates. Mr. Cox will charge no more than \$300.00 per hour, his associates will charge no more than \$225.00 per hour, and his paralegals will charge no more than \$100.00 per hour. Mr. Cox has advised us he has no conflict of interest and is ready, willing, and able to serve as Receiver.

Therefore, the Commission recommends Mr. Cox, who has the capability and experience necessary for carrying out the tasks that will be required of the Receiver and has indicated a willingness to serve. As the Commission indicated previously, the Commission has identified two other candidates who are also well qualified and have no conflict of interest. Accordingly, if the Court does not agree with the Commission's recommendation, the Commission suggests the Court consider the alternative candidates whose credentials are attached.

#### **IV. CONCLUSION**

For the foregoing reasons, the Commission respectfully requests that the Court grant its expedited request for the appointment of a Receiver over the Property Entities and appoint Jeffrey L. Cox, or other suitable person, as Receiver over these entities.



**CERTIFICATE OF CONFERRAL**

Pursuant to Local Rule 3.01(g), counsel for the Commission has conferred with counsel for the Property Defendants, who agree to the relief proposed herein. Counsel for the Property Defendants were provided with a draft of the proposed order appointing receiver and expressed no objection. The Commission did not confer regarding the Commission's receiver recommendation.

June 7, 2021

Respectfully submitted,

s/Alice K. Sum

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Miami, Florida 33131  
Telephone: (305) 982-6300  
Facsimile: (305) 536-4154

**EXHIBIT 1**



## **RESUME OF JEFFREY L. COX, ESQ.**

**SALLAH ASTARITA & COX, LLC  
3010 NORTH MILITARY TRAIL, SUITE 210  
BOCA RATON, FLORIDA 33431**

**PHONE: (561) 989-9080  
FACSIMILE: (561) 989-9020  
E-MAIL: [jlc@sallahlaw.com](mailto:jlc@sallahlaw.com)  
WEBSITE: [www.sallahlaw.com](http://www.sallahlaw.com)  
BIO: <https://www.sallahcox.com/jeffrey-l-cox-esq.html>**

### **PRACTICE AREAS**

Mr. Cox is an AV Preeminent® rated attorney who concentrates on receivership litigation, securities and other financial services regulation and enforcement, white collar investigations and proceedings, and complex commercial litigation, securities arbitration, and whistleblower claims.

### **PROFESSIONAL EXPERIENCE**

From 1999 to 2004, Mr. Cox was a Senior Counsel for the U.S. Securities and Exchange Commission's ("SEC") Office of Enforcement in Miami. During his tenure as an SEC Senior Counsel, Mr. Cox investigated and litigated civil enforcement cases and administrative proceedings involving violations of the federal securities laws including, market manipulation, insider trading, and corporate and offering fraud.

From 2004 to 2007, Mr. Cox served as an Assistant United States Attorney with the Department of Justice in the Southern District of Florida. As a federal prosecutor, Mr. Cox was assigned to the Economic Crimes section of the United States Attorney's Office in Miami. While in the Economic Crimes Section, Mr. Cox was responsible for leading complex investigations and prosecutions involving white collar criminal offenses such as securities fraud, money laundering, tax evasion, and mail, wire, and bank fraud.

Since 2007, Mr. Cox has been in private practice as the co-founder of Sallah Astarita & Cox, LLC. He has successfully handled securities matters through trial and final hearing in arbitration. He currently serves as lead counsel to the Court-appointed Receiver in *SEC v. JCS Enterprises, Inc., et al.*, Case No. 14-CV-80468-DMM (S.D. Fla. April 7, 2014), an \$80 million Ponzi scheme involving approximately 1800 investors. He also served as counsel to the federal Receiver in *FTC v. Student Debt Doctor, LLC, et al.*, Case No. 17-CV-61937-WPD (S.D. Fla. Oct. 2, 2017), a case involving deceptive marketing and the sale of student loan debt relief services to thousands of consumers nationwide.

Prior to private practice, Mr. Cox was also involved in numerous receivership matters, including *SEC v. Sunstate FX, Inc., et al.*, (emergency action halting \$54 million scheme in the Forex market); *SEC v. Americash-Inc.com Inc., et al.* and *SEC v. Virtual Case Card LLC, et al.* (emergency cases halting cash advance, investment schemes); and *SEC v. Mutual Benefits Corp.*,

*et al.* (a case involving the fraudulent sale of viatical life settlements that resulted in losses of more than \$95 million to more than 28,000 investors worldwide).

#### **PROFESSIONAL AWARDS AND ACTIVITIES**

- AV Preeminent® rated (the highest peer ranking) by *Martindale-Hubbell*.
- Selected by peers as a *Florida Super Lawyer*, 2015 through 2020; *Florida Super Lawyer* (Rising Stars) in 2009, 2011, and 2012; in the *South Florida Legal Guide* in 2010, 2011, 2013, 2018, 2020 (Top Lawyers); and *Florida Trend's Florida Legal Elite* in 2020.
- Awarded Certificate from FBI Director Robert Mueller for outstanding prosecutive skills and assistance for an undercover mutual fund operation named “Bermuda Short” in 2005.
- Awarded Certificate of Appreciation from the Department of Homeland Security, Office of Inspector General for critical support during the successful investigation and prosecution of FEMA fraud cases in 2005.
- Received award from the United States Postal Inspection Service recognizing professionalism and dedication during investigations in 2004.
- Received the SEC Chairman’s Award for Excellence in 2002 from former SEC Chairman Harvey Pitt.

#### **EDUCATION**

Mr. Cox received his undergraduate Bachelor of Arts degree from Furman University and his Juris Doctor degree with honors (*Cum Laude*) from Nova Southeastern University, Shepard Broad School of Law.

During law school, Mr. Cox served as the Editor in Chief of the *Nova Law Review*, received the West Group Outstanding Scholastic Achievement Award, and the Book Award in Trial Advocacy.

#### **BAR MEMBERSHIPS AND JURISDICTIONS ADMITTED TO PRACTICE**

Florida Bar, 1999

United States District Court, Southern District of Florida

United States District Court, Middle District of Florida

United States Court of Appeals for the Eleventh Circuit

United States Supreme Court

#### **PERSONAL BACKGROUND AND COMMUNITY SERVICE**

Mr. Cox, who is married with two children (ages 16 and 18), enjoys spending time with his family, fishing, and watching sports or live music.

He is the Past President of the Rotary Club of Fort Lauderdale/Cypress Creek, 2017-2018, and the Past President of the Rotary Club of Fort Lauderdale/Cypress Creek Charitable Fund, Inc., 2018-2019. As a Rotarian, Mr. Cox has a passion for community service. He has also previously served as the Club’s Director and Chairperson of its Service Committee.

**EXHIBIT 2**

**GRISEL ALONSO, ESQ.**  
**Grisel Alonso and Associates, LLC**  
**Court-Appointed Receivers and Fiduciaries**  
**2525 Ponce de Leon Blvd., Suite 300**  
**Coral Gables, FL 33144**  
**Tel. (786) 441-5147**  
**Fax (305) 200-8701**  
**E-Mail: Grisel@Alonso-Receivers.com**  
**Website:www.Alonso-Receivers.com**



## **PROFESSIONAL BACKGROUND**

### **Grisel Alonso and Associates, LLC– 2020 –Present** **Founder**

Ms. Alonso is the founder of Grisel Alonso and Associates, LLC, a boutique firm providing specialized and cost-effective fiduciary services. She is an experienced fiduciary and attorney who acts as a court-appointed receiver and fiduciary in both Federal and State courts. She also serves as court-appointed Federal Equity Receiver. Ms. Alonso has vast experience in complex financial litigation, specializing in cases involving fraudulent transfers, Ponzi schemes, insolvency, liquidation, and related litigation.

### **Michael Moecker & Associates, Inc. – 2014 –2020** **Director of Receivership & Fiduciary Services**

Ms. Alonso served as a fiduciary in both federal and state courts. She served as a court-appointed receiver and as an Assignee in Assignment for the Benefit of Creditors in state courts. Additionally, Ms. Alonso provided general legal advice on a variety of issues arising in fiduciary matters on an ongoing basis. She selected and supervised counsel retained by the firm's fiduciaries—reviewed and approved budgets, legal invoices, legal pleadings and discovery responses.

### **United States Department of Justice** **Office of the United States Attorney for the Southern District of Florida – 1987 –2013** **Assistant United States Attorney**

Ms. Alonso served for more than twenty-six years as an Assistant United States Attorney in the Civil Division, where she played a leading role in some of the most notable bankruptcy cases in South Florida. She is best known for her key role in recovering funds stolen by convicted former U.S. Trustee panelist Marika Tolz and for representing the Government's interests in a myriad of federal civil litigation and bankruptcy proceedings against convicted Ft. Lauderdale attorney Scott Rothstein's now defunct law firm. She represented a variety of federal agencies (CFTC, FTC, SEC, IRS, SBA) in seeking enforcement of civil judgments, orders of restitution and forfeiture, criminal fines and penalties. Ms. Alonso practiced extensively in federal district court, bankruptcy court, state court and probate court.

## **REPRESENTATIVE ENAGEMENTS**

- *Securities and Exchange Commission v. Frederic Elm* (S.D. Fla.) – Receiver
- *Leal v. Bimini Development of Village West Corporation et al.* (S.D. Fla.) – Receiver
- *WWideMediaCo, LLC*, Miami-Dade Circuit Court – Assignee
- *Mia TV, LLC*, Miami-Dade Circuit Court – Coordinated business operations and marketing strategy resulting in successful sale of local television station on behalf of Assignee
- *Hurst Awning Company, Inc.* Miami-Dade Circuit Court – Assignee
- *Agrizzi Entreprises Corporation*, Miami-Dade Circuit Court – Consulted with Assignee on various matters and courses of action in case, including the filing of multiple supplemental proceedings to avoid and recover fraudulent transfers

## **AWARDS & RECOGNITIONS**

- Received numerous awards and commendations from the U.S. Department of Justice, the Attorney General and federal agencies for outstanding and superior performance as an Assistant United States Attorney
- Recognized as a Top Government Attorney in The South Florida Legal Guide

## **EDUCATION**

- University of Miami School of Law, Juris Doctor degree
- University of Miami, Bachelor of Arts degree in Psychology, with honors

## **BAR MEMBERSHIPS & JURISDICTIONS ADMITTED TO PRACTICE**

Ms. Alonso is admitted to practice in all Florida courts, the United States District Court for the Southern District of Florida and the United States Bankruptcy Court for the Southern District of Florida.

## **PROFESSIONAL MEMBERSHIPS & ACTIVITIES**

- Appointed by the Florida Bar to serve a three-year term as a member, Vice-Chair and Chair of the 11th Judicial Circuit Grievance Committee with responsibility to investigate possible lawyer misconduct and to determine whether disciplinary action is warranted
- Federal Bar Association
- Southern District of Florida Bankruptcy Bar Association
- International Women's Insolvency and Restructuring Confederation
- Dade County Bar Association
- Cuban American Bar Association
- Coral Gables Bar Association

## **OTHER LANGUAGES**

- Spanish

**EXHIBIT 3**





## Miranda L. Soto

Shareholder

Email: [miranda.soto@bipc.com](mailto:miranda.soto@bipc.com)

P: 305 347 4086 Miami, FL



### How Miranda Helps Clients

Miranda Soto is Florida Bar Board Certified in Civil Trial Law and has tried approximately 50-70 cases to verdict. She specializes in high-stakes litigation and complex commercial cases on behalf of private equity, hedge funds, high-end insurance companies, law firms and other sophisticated businesses in cases involving commercial and business disputes, professional and legal malpractice claims, product liability, complex fraud matters, public policy matters, cases of first impression, high-stakes personal injury cases, franchisee/franchisor litigation, trust and estate litigation and premises liability at the state and federal levels. Miranda also handles tobacco, addiction and smoking-related injury litigation. Additionally, she has a strong reputation as a lawyers' lawyer and often serves as a consultant on legal and accounting malpractice claims.

Understanding her clients' business is at the core of Miranda's solution-based approach. She knows that learning the ins and outs of her clients' business is crucial in order to provide the best legal advice possible. As legal issues often extend to the company as a whole, Miranda focuses on minimizing disruptions to the business that can and do arise from legal challenges. Her goal is to leverage all possible opportunities for a quick resolution.

Miranda began her career as an Assistant State Attorney in the Miami-Dade County State Attorney's office. She also served as Lead Counsel for Allstate's Miami and Ft. Myers legal offices.

"I take a solution-based approach that is highly focused on efficiently, effectively, and strategically meeting my client's needs and goals."

### What Clients Can Expect

Miranda's client philosophy is centered on personalization and responsiveness, and providing her clients with concierge service. She is known for her atypical approach to litigation using her experience as an Assistant State Attorney to prosecute her own case instead of litigating it, thus increasing the chances of winning. Unlike most defense lawyers, Miranda doesn't wait until discovery to develop her strategy, instead she takes the time to thoroughly think through every possible outcome, takes the offensive approach and forces plaintiffs to go to trial. As a specialist in civil trials, Miranda is frequently brought on as a special trial counsel for Fortune 100 companies.

## Outside the Office

In addition to her work as a trial lawyer, Miranda enjoys mentoring young lawyers and aspiring judges. Miranda is active in assisting organizations like the American Board of Trial Advocates (ABOTA), Federation of Defense and Corporate Counsel (FDCC), and the Florida Association for Women Lawyers (FAWL) with their trial advocacy programs.

When Miranda is not practicing law, she enjoys hand building pottery, watching Alabama football games, reading, traveling and spending time with her daughters and friends.

## Awards

- Board Certified in Civil Trial, The Florida Bar
- Technology Master Advocate, FDCC (2018)
- Women of Distinction, "Legal Maverick Award for 10-30 Years in Practice Group," Dade County Bar Association (2018)
- The Best Lawyers in America
- AV Preeminent, Martindale-Hubbell®
- AV Preeminent, Judicial Edition
- Top Up & Comer, South Florida Legal Guide (2015-2018)
- Rising Star, Super Lawyers (2010, 2012-2016)
- "Legal Lion," Law360 (2015)
- The Legal 500 (2015)
- Nominated Finalist, Claims and Litigation Management Alliance for Outside Counsel of the Year Award (2014)
- Miami's Top 10 Litigators, Dade County Bar Association (2013)
- Recognition by American Registry (2011-2018)
- American 's Most Honored Professionals (2015-2018)
- Florida Trend, Florida Legal Elite, Civil Trial (2011, 2016-2019)
- Legal Luminary Award, "Top Legal Malpractice Attorney," Dade County Bar Association (2017)

## Proof Points

- Served as second chair in six Engle-Progeny trials:
  - *Johnson v. Philip Morris USA Inc., et al.*, No. 14-CA-00019 (Fla. 13th Cir. Ct. 2017) (mistrial);
  - *Oshinsky v. Philip Morris USA Inc., et al.*, No. 2008-CV-025841 (Fla. 17th Cir. Ct. 2016);
  - *Russo v. Philip Morris USA Inc., et al.*, No. 2007-44469-CA-01 (Fla. 11th Cir. Ct. 2015) (defense verdict affirmed on appeal);
  - *Vila v. Philip Morris USA Inc.*, No. 2013-12833-CA (Fla. 11th Cir. Ct. 2015) (defense verdict affirmed on appeal);
  - *Merino v. Philip Morris USA Inc.*, No. No. 08-1287-CA-25 (Fla. 11th Cir. Ct. 2015);
  - *Russo v. Philip Morris USA Inc., et al.*, No. 2007-44469-CA-01 (Fla. 11th Cir. Ct. 2014) (mistrial).

- Appointed as special trial counsel in a 21-plaintiff franchisee/franchisor case involving issues of below-cost pricing, unfair competition, the Florida Motor Fuel Marketing Practices Act, the Petroleum Marketing Practices Act, open-term pricing and other alleged bad acts against a major oil and gasoline corporation.
- Served as member of a trial team that won a complete defense verdict in a multimillion-dollar professional malpractice lawsuit involving a complex Dominican Republic real estate development transaction.
- Served as member of a trial team that won a complete defense verdict in a multimillion-dollar professional malpractice lawsuit involving a complex Dominican Republic real estate development transaction.

## Related Services & Industries

### LITIGATION

## Education

Drake University School of Law, J.D., 2002

University of Alabama, B.A., 1998,  
Communications and Information Sciences

## Admissions

Florida

Florida Middle District Court

Florida Southern District Court

## Affiliations

Judicial Nominating Commission, Commissioner for 11th Judicial Circuit (July 1, 2019-July 1, 2023); Vice Chair (2020-2021)

Drake Law School Board of Counselors

American Board of Trial Advocates (ABOTA), National Board Representative, Miami Chapter

Federalist Society, Miami Chapter

League of Prosecutors, Miami Chapter

The Florida Bar, Grievance Committee Member (2016-2019)

Claims and Litigation Management Alliance, Insurance Fraud Committee

Dade County Bar Association, Board of Directors (2017-2020)

Defense Research Institute

Florida Association for Women Lawyers

American Bar Association, Faculty Member; Section of Litigation; Professional Liability Litigation Committee; Attorney's Liability Subcommittee, Co-Chair

International Association of Defense Counsel

Federation of Defense & Corporate Counsel, Trial Masters Program, Vice-Chair, 2018-2019; Trial Tactics, Practice and Procedures, Vice-Chair, 2018-2020; Products Liability, Vice Chair, 2019-2020; Membership State Representative from Florida, 2018-2020

Judge for Legal Eagle mock trial, University of Miami (2014)

**TEXT OF PROPOSED ORDER**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

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**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**PROPERTY INCOME INVESTORS LLC,  
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PROPERTY INCOME INVESTORS 3050 LLC,  
LARRY B. BRODMAN, AND  
ANTHONY NICOLOSI (F/K/A ANTHONY  
PELUSO)**

**Defendants.**

**ORDER GRANTING PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S  
UNOPPOSED EXPEDITED MOTION FOR APPOINTMENT OF RECEIVER**

THIS CAUSE came before the Court on Plaintiff Securities and Exchange Commission's Unopposed Motion and Memorandum of Law for Appointment of Receiver [ECF No. 3]. The Court has carefully reviewed the Motion and finds that, based on the record in these proceedings, the appointment of a receiver is necessary and appropriate for purposes of marshaling and preserving all assets of the Receivership Entities ("Receivership Assets") and those assets of the Receivership Entities that: (a) are attributable to funds derived from investors or clients of the Receivership Entities; (b) are held in constructive trust for the Receivership Entities; (c) were fraudulently transferred by the

Receivership Entities; and/or (d) may otherwise be includable as assets of the estates of the Receivership Entities.

The Receivership Entities have consented to the appointment of a receiver, the Court has subject matter jurisdiction over this action and personal jurisdiction over the Receivership Entities, and venue properly lies in this District. Therefore, it is

**ORDERED AND ADJUDGED** that the Motion [ECF No. 3] is **GRANTED** as follows:

1. The Court takes exclusive jurisdiction and possession of the assets, of whatever kind and wherever situated, of the Receivership Entities.

2. Until further Order of this Court, Jeffrey L. Cox is appointed to serve without bond as receiver (the "Receiver") for the estates of the Receivership Entities and is given authority to retain James D. Sallah, Esq. of Sallah Astarita & Cox, LLC, as counsel.

#### **I. Asset Freeze**

3. Except as otherwise specified herein, all Receivership Assets are frozen until further order of the Court. Accordingly, all persons and entities with direct or indirect control over any Receivership Assets, other than the Receiver, are hereby restrained and enjoined from directly or indirectly transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing such assets. This freeze shall include, but not be limited to, Receivership Assets in the form of real estate and funds that are on deposit with financial institutions such as banks, brokerage firms, and mutual funds.

#### **II. General Powers and Duties of Receiver**

4. The Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of the Receivership Entities under applicable state, federal, or foreign law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers

conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Federal Rule of Civil Procedure 66.

5. The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys, and other agents of the Receivership Entities are hereby dismissed and the powers of any general partners, directors and/or managers are hereby suspended. Such persons and entities shall have no authority with respect to the Receivership Entities' operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume and control the operation of the Receivership Entities and shall pursue and preserve all their claims.

6. No person holding or claiming any position of any sort with any of the Receivership Entities shall possess any authority to act by or on behalf of any of the Receivership Entities.

7. Subject to the specific provisions in Sections III through XIV, below, the Receiver has the following general powers and duties:

A. To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Entities, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly ("Receivership Property" or, collectively, the "Receivership Estates");

B. To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Entities; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;

C. To manage, control, operate and maintain the Receivership Estates and hold in Receiver's possession, custody and control all Receivership Property, pending further Order of the Court;

D. To use Receivership Property for the benefit of the Receivership Estates, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging Receiver's duties;

E. To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, partners, managers, trustees and agents of the Receivership Entities;

F. To engage and employ persons in Receiver's discretion to assist Receiver in carrying out Receiver's duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers;

G. To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;

H. The Receiver is authorized to issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure;

I. To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging Receiver's duties;

J. To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estates; and,

K. To take such other action as may be approved by the Court.

### **III. Access to Information**

8. The Receivership Entities and the past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants and employees of the Receivership Entities, as well as those acting in their place, are ordered and directed to preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to, the Receivership Entities and/or all Receivership Property; such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

9. The Receivership Entities and the Receivership Entities' past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners, and other appropriate persons or entities shall answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Entities, or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the



Receivership Entities. In the event the Receiver deems it necessary to require the appearance of the aforementioned persons or entities, the Receiver shall make its discovery requests in accordance with the Federal Rules of Civil Procedure.

10. To issue subpoenas to compel testimony of persons or production of records, consistent with the Federal Rules of Civil Procedure and applicable Local Rules, except for the provisions of Federal Rule of Civil Procedure 26(d)(1), concerning any subject matter within the powers and duties granted by this Order.

#### **IV. Access to Books, Records and Accounts**

11. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to the Receivership Entities. All persons and entities having control, custody, or possession of any Receivership Property are hereby directed to turn such property over to the Receiver.

12. The Receivership Entities and the Receivership Entities' past and/or present officers, directors, agents, attorneys, managers, shareholders, employees, accountants, debtors, creditors, managers and general and limited partners, and other appropriate persons or entities shall cooperate with and assist the Receiver in the performance of Receiver's duties.

13. The Receivership Entities, as well as their agents, servants, employees, attorneys, any persons acting for or on behalf of the Receivership Entities, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of the property, business, books, records, accounts or assets of the Receivership Entities are directed to deliver the same to the Receiver or the Receiver's agents and/or employees.

14. All banks, brokerage firms, financial institutions, and other persons or entities that have possession, custody or control of any assets or funds held by, in the name of, or for the benefit of, directly or indirectly, and of the Receivership Entities that receive actual notice of this Order by personal service, facsimile transmission or otherwise shall:

- A. Not liquidate, transfer, sell, convey, or otherwise transfer any assets, securities, funds, or accounts in the name of or for the benefit of the Receivership Entities except upon instructions from the Receiver;
- B. Not exercise any form of set-off, alleged set-off, lien, or any form of self-help whatsoever, or refuse to transfer any funds or assets to the Receiver's control without the permission of this Court;
- C. Within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice; and,
- D. Cooperate expeditiously in providing information and transferring funds, assets and accounts to the Receiver or at the direction of the Receiver.

#### **V. Access to Real and Personal Property**

15. The Receiver is authorized to take immediate possession of all personal property of the Receivership Entities, wherever located, including but not limited to electronically stored information, computers, laptops, hard drives, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

16. The Receiver is authorized to take immediate possession of all real property of the Receivership Entities, wherever located, including but not limited to all ownership and leasehold interests and fixtures. Upon receiving actual notice of this Order by personal service, facsimile transmission or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing or erasing anything on such premises.

17. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Entities, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

18. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Receivership Entities, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

#### **VI. Notice to Third Parties**

19. The Receiver shall promptly give notice of Receiver's appointment to all known officers, directors, agents, employees, shareholders, creditors, debtors, managers and general and limited partners of the Receivership Entities, as the Receiver deems necessary or advisable to effectuate the operation of the receivership.

20. All persons and entities owing any obligation, debt, or distribution with respect to an ownership interest to any Receivership Entity shall, until further ordered by the Court, pay all such obligations in accordance with the terms thereof to the Receiver and its receipt for such payments shall have the same force and effect as if the Receivership Entity had received such payment.

21. In furtherance of Receiver's responsibilities in this matter, the Receiver is authorized to communicate with, and/or serve this Order upon, any person, entity or government office that he deems appropriate to inform them of the status of this matter and/or the financial condition of the Receivership Estates. All government offices which maintain public files of security interests in real and personal property shall, consistent with such office's applicable procedures, record this Order upon the request of the Receiver or the Commission.

22. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of any of

the Receivership Entities (the “Receiver’s Mail”), including all mail addressed to, or for the benefit of, the Receivership Entities. The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver’s Mail. The Receivership Entities shall not open any of the Receiver’s Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. All personal mail of any Receivership Entities, and/or any mail appearing to contain privileged information, and/or any mail not falling within the mandate of the Receiver, shall be released to the named addressee by the Receiver. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mailbox, depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Entities. The Receivership Entities shall not open a new mailbox or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

23. Subject to payment for services provided, any entity furnishing water, electric, telephone, sewage, garbage or trash removal services to the Receivership Entities shall maintain such service and transfer any such accounts to the Receiver unless instructed to the contrary by the Receiver.

#### **VII. Injunction Against Interference with Receiver**

24. The Receivership Entities and all persons receiving notice of this Order by personal service, facsimile or otherwise, are hereby restrained and enjoined from directly or indirectly taking any action or causing any action to be taken, without the express written agreement of the Receiver, which would:

A. Interfere with the Receiver’s efforts to take control, possession, or management of any Receivership Property; such prohibited actions include but are not limited to, using self-help or executing or issuing or causing the execution or issuance of any court attachment, subpoena, replevin, execution, or other process for the purpose of impounding or taking possession of or interfering with or creating or enforcing a lien upon any Receivership Property;

B. Hinder, obstruct or otherwise interfere with the Receiver in the performance of Receiver's duties; such prohibited actions include but are not limited to, concealing, destroying or altering records or information;

C. Dissipate or otherwise diminish the value of any Receivership Property; such prohibited actions include but are not limited to, releasing claims or disposing, transferring, exchanging, assigning or in any way conveying any Receivership Property, enforcing judgments, assessments or claims against any Receivership Property or any Receivership Entity, attempting to modify, cancel, terminate, call, extinguish, revoke or accelerate (the due date), of any lease, loan, mortgage, indebtedness, security agreement or other agreement executed by any Receivership Entity or which otherwise affects any Receivership Property; or,

D. Interfere with or harass the Receiver or interfere in any manner with the exclusive jurisdiction of this Court over the Receivership Entities.

25. The Receiver shall promptly notify the Court and Commission counsel of any failure or apparent failure of any person or entity to comply in any way with the terms of this Order.

### **VIII. Stay of Litigation**

26. As set forth in detail below, the following proceedings, excluding the instant proceeding and all police or regulatory actions and actions of the Commission related to the above-captioned enforcement action, are stayed until further Order of the Court:

All civil legal proceedings of any nature, including, but not limited to, bankruptcy proceedings, arbitration proceedings, foreclosure actions, default proceedings, or other actions of any nature involving: (a) the Receiver, in Receiver's capacity as Receiver; (b) any Receivership Property, wherever located; (c) any of the Receivership Entities, including subsidiaries and partnerships; or, (d) any of the Receivership Entities' past or present officers, directors, managers, agents, or general or limited partners sued for, or in connection with, any action taken by them while acting in such capacity of any nature, whether as plaintiff, defendant, third-party plaintiff, third-party defendant, or otherwise (such proceedings are hereinafter referred to as "Ancillary Proceedings").

27. The parties to any and all Ancillary Proceedings are enjoined from commencing or continuing any such legal proceeding, or from taking any action, in connection with any such proceeding, including, but not limited to, the issuance or employment of process.

28. All Ancillary Proceedings are stayed in their entirety, and all courts having any jurisdiction thereof are enjoined from taking or permitting any action until further Order of this Court. Further, as to a cause of action accrued or accruing in favor of one or more of the Receivership Entities

against a third person or party, any applicable statute of limitation is tolled during the period in which this injunction against commencement of legal proceedings is in effect as to that cause of action.

#### **IX. Managing Assets**

29. For each of the Receivership Estates, the Receiver shall establish one or more custodial accounts at a federally insured bank to receive and hold all cash equivalent Receivership Property (the “Receivership Funds”).

30. The Receiver’s deposit account shall be entitled, together with the name of the action:

- A. Receiver’s Account, Estate of Property Income Investors LLC
- B. Receiver’s Account, Estate of Property Income Investors 26 LLC
- C. Receiver’s Account, Estate of Property Income Investors 304 LLC
- D. Receiver’s Account, Estate of Property Income Investors 201 LLC
- E. Receiver's Account, Estate of Property Income Investors 3504 LLC
- F. Receiver's Account, Estate of Property Income Investors 1361 LLC
- G. Receiver's Account, Estate of Property Income Investors 4020 LLC
- H. Receiver's Account, Estate of Property Income Investors 9007 LLC
- I. Receiver's Account, Estate of Property Income Investors 417 LLC
- J. Receiver's Account, Estate of Property Income Investors 4450 LLC
- K. Receiver's Account, Estate of Property Income Investors 3050 LLC
- L. Receiver's Account, Estate of Equinox Holdings Inc.

31. The Receiver may, without further Order of the Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

32. Subject to Paragraph 33 immediately below, the Receiver is authorized to locate, list for sale or lease, engage a broker for sale or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the Receivership Estates, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such real property.

33. Upon further Order of the Court, pursuant to such procedures as may be required by this Court and additional authority such as 28 U.S.C. §§ 2001 and 2004, the Receiver will be authorized to sell, and transfer clear title to, all real property in the Receivership Estates.

34. The Receiver is authorized to take all actions to manage, maintain, and/or wind-down business operations of the Receivership Estates, including making legally required payments to creditors, employees, and agents of the Receivership Estates and communicating with vendors, investors, governmental and regulatory authorities, and others, as appropriate.

35. The Receiver shall take all necessary steps to enable the Receivership Funds to obtain and maintain the status of a taxable "Settlement Fund," within the meaning of Section 468B of the Internal Revenue Code and of the regulations, when applicable.

#### **X. Investigate and Prosecute Claims**

36. Subject to the requirement, in Section VII above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in Receiver's discretion, and in consultation with Commission counsel, be advisable or proper to recover and/or conserve Receivership Property.

37. Subject to Receiver's obligation to expend receivership funds in a reasonable and cost-effective manner, the Receiver is authorized, empowered and directed to investigate the manner in which the financial and business affairs of the Receivership Entities were conducted and (after obtaining leave of this Court) to institute such actions and legal proceedings, for the benefit and on behalf of the Receivership Estate, as the Receiver deems necessary and appropriate; the Receiver may seek, among other legal and equitable relief, the imposition of constructive trusts, disgorgement of profits, asset turnover, avoidance of fraudulent transfers, rescission and restitution, collection of debts, and such other relief from this Court as may be necessary to enforce this Order. Where appropriate, the Receiver should provide prior notice to Counsel for the Commission before commencing investigations and/or actions.

38. The Receiver hereby holds, and is therefore empowered to waive, all privileges, including the attorney-client privilege, held by all Receivership Entities.

39. The receiver has a continuing duty to ensure that there are no conflicts of interest between the Receiver, Receiver's Retained Personnel (as that term is defined below), and the Receivership Estate.

## **XI. Bankruptcy Filing**

40. The Receiver may seek authorization of this Court to file voluntary petitions for relief under Title 11 of the United States Code (the "Bankruptcy Code") for the Receivership Entities. If a Receivership Entity is placed in bankruptcy proceedings, the Receiver may become, and may be empowered to operate each of the Receivership Estates as, a debtor in possession. In such a situation, the Receiver shall have all the powers and duties as provided a debtor in possession under the Bankruptcy Code to the exclusion of any other person or entity. Pursuant to Paragraph 4 above, the Receiver is vested with management authority for all Receivership Entities and may therefore file and manage a Chapter 11 petition.



41. The provisions of Section VIII above bar any person or entity, other than the Receiver, from placing any of the Receivership Entities in bankruptcy proceedings.

## **XII. Liability of Receiver**

42. Until further Order of the Court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with Receiver's fiduciary obligations in this matter.

43. The Receiver and Receiver's agents, acting within scope of such agency ("Retained Personnel") are entitled to rely on all outstanding rules of law and Orders of the Court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by the Court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.

44. The Court shall retain jurisdiction over any action filed against the Receiver or Retained Personnel based upon acts or omissions committed in their representative capacities.

45. In the event the Receiver decides to resign, the Receiver shall first give written notice to the Commission's counsel of record and the Court of its intention, and the resignation shall not be effective until the Court appoints a successor. The Receiver shall then follow such instructions as the Court may provide.

## **XIII. Recommendations and Reports**

46. The Receiver is authorized, empowered, and directed to develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property (the "Liquidation Plan").

47. Within ninety (90) days of the entry date of this Order, the Receiver shall file the Liquidation Plan in the above-captioned action, with service copies to counsel of record.

48. Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

49. The Quarterly Status Report shall contain the following:

A. A summary of the operations of the Receiver;

B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;

C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;

D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;

E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments);

F. A list of all known creditors with their addresses and the amounts of their claims;

G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and,

H. The Receiver’s recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

50. On the request of the Commission, the Receiver shall provide the Commission with any documentation that the Commission deems necessary to meet its reporting requirements, that is mandated by statute or Congress, or that is otherwise necessary to further the Commission’s mission.

#### **XIV. Fees, Expenses and Accountings**

51. Subject to Paragraphs 52-58 immediately below, the Receiver need not obtain Court approval prior to the disbursement of Receivership Funds for expenses in the ordinary course of the administration and operation of the receivership. Further, prior Court approval is not required for payments of applicable federal, state or local taxes.

52. Subject to Paragraph 53 immediately below, the Receiver is authorized to solicit persons and entities (“Retained Personnel”) to assist Receiver in carrying out the duties and responsibilities described in this Order. Except for counsel retained by the Receiver pursuant to Paragraph 2 of this Order, the Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.

53. The Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement from the Receivership Estates as described in the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” (the “Billing Instructions”) agreed to by the Receiver. Such compensation shall require the prior approval of the Court.

54. Within forty-five (45) days after the end of each calendar quarter, the Receiver and Retained Personnel shall apply to the Court for compensation and expense reimbursement from the Receivership Estates (the “Quarterly Fee Applications”). At least thirty (30) days prior to filing each Quarterly Fee Application with the Court, the Receiver will serve upon counsel for the Commission a complete copy of the proposed Application, together with all exhibits and relevant billing information in a format to be provided by Commission staff.

55. All Quarterly Fee Applications will be interim and will be subject to cost benefit and final reviews at the close of the receivership. At the close of the receivership, the Receiver will file a final fee application, describing in detail the costs and benefits associated with all litigation and other actions pursued by the Receiver during the receivership.

56. Quarterly Fee Applications may be subject to a holdback in the amount of 20% of the amount of fees and expenses for each application filed with the Court. The total amounts held back during the receivership will be paid out at the discretion of the Court as part of the final fee application submitted at the close of the receivership.

57. Each Quarterly Fee Application shall:

A. Comply with the terms of the Billing Instructions agreed to by the Receiver; and,

B. Contain representations (in addition to the Certification required by the Billing Instructions) that: (i) the fees and expenses included therein were incurred in the best interests of the Receivership Estate; and, (ii) with the exception of the Billing Instructions, the Receiver has not entered into any agreement, written or oral, express or implied, with any person or entity concerning the amount of compensation paid or to be paid from the Receivership Estate, or any sharing thereof.

58. At the close of the Receivership, the Receiver shall submit a Final Accounting, in a format to be provided by Commission staff, as well as the Receiver's final application for compensation and expense reimbursement.

**DONE AND ORDERED** in Fort Lauderdale, Florida, this \_\_\_ day of \_\_\_\_, 2021.

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**RAAG SINGHAL**  
**UNITED STATES DISTRICT JUDGE**

cc: counsel of record