

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO.: 21-61176-CIV-SINGHAL

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.

**RECEIVER'S FIRST INTERIM OMNIBUS APPLICATION FOR ALLOWANCE
AND PAYMENT OF PROFESSIONALS' FEES AND REIMBURSEMENT OF
EXPENSES FOR APRIL 1, 2021 – JUNE 30, 2021¹**

Miranda L. Soto, Esq., solely in her capacity as Receiver (the “Receiver”) for Defendants 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

¹ See Order Appointing Receiver (Doc. 10) at ¶ 54.

Investors 417, LLC; Property Income Investors 4450, LLC; and Property Income Investors 3050, LLC (collectively, the “Receivership Entities”), moves this Court for the entry of an order awarding fees and reimbursement of costs to the Receiver and her professionals whose retention has been approved by the Court. *See* Doc. 10 ¶ 2. This motion covers all fees and costs incurred from the Receiver’s date of appointment, June 15, 2021, through June 30, 2021 (the “Application Period”). The Securities and Exchange Commission’s (the “SEC” or “Commission”) Standardized Fund Accounting Report (“SFAR”) for this period is attached hereto as **Exhibit 1**. In support thereof, the Receiver states as follows:

I. Preliminary Statement

The Commission commenced this action alleging that Defendants raised at least \$9 million from over 150 investors for the purpose of purchasing, remodeling, renting, and ultimately selling various multifamily residential parcels of real estate. Doc 1 ¶¶ 1-2. In the process, the Commission alleged that Defendants misappropriated and diverted over \$2 million in investor funds, extensively commingled investor funds, and in some instances used investor funds to make purported “profit” payments and distributions to other investors. Doc. 10 ¶ 4.

Since her appointment, the Receiver and her professionals have worked expeditiously and efficiently to provide valuable services and secure investor assets. This was especially important given a number of significant and sometimes urgent issues potentially affecting the value and condition of the properties owned by the Receivership Entities, which will likely represent the largest source of potential assets to be distributed to defrauded investors. Given the public interest nature of this proceeding, the Receiver and her professionals have

performed this work at significantly reduced rates. Pursuant to the Order Appointing Receiver, the Receiver and her professionals are entitled to reasonable payment of the fees and reimbursement of their expenses.

The Receiver seeks Court approval to pay the sum of \$43,483.00 to the Receiver and the professionals she engaged for fees incurred and reimbursement of \$2,051.25 in expenses for a total payment of \$45,534.25. This Application includes time billed from June 15, 2021 (the day the Court appointed the Receiver) through June 30, 2021. The professionals who seek payment hereunder have agreed not to bill any time incurred prior to the Receiver's appointment.

For the time covered by this Motion², among other things, the Receiver and her professionals have accomplished the following:

- Interviewed numerous individuals, personnel and service providers involved with the Receivership Entities, including Defendants Brodman and Nicolosi, employees, vendors, investors, legal counsel, and other interested parties in order to ascertain locations of the properties, books, records, bank accounts and other assets of the Receivership Entities;
- Took possession of, secured, and inventoried a storage unit containing the contents of an office previously used by the Receivership Entities in Coral Springs, Florida, including documents and computers located in that office;
- Identified, secured, and froze 12 bank accounts previously used by the Receivership Entities at JP Morgan Chase Bank, N.A., obtained account statements and other documentation, and begun analyzing account activity and flow of funds;
- Identified approximately \$1.125 million being held in escrow for the benefit of one or more Receivership Entities at a Boca Raton, Florida law firm and arranged for the transfer of those funds to the Receiver's law firm trust account pending opening of fiduciary bank accounts;

² Neither the Receiver nor her attorneys charged for the time spent preparing this motion.

- Identified real estate parcels currently and previously owned by Receivership Entities (the “Properties”) and took continuing steps to secure and safeguard those assets, including analysis of status of outstanding mortgages, taxes and liens, research into utility status and obligations, verification of property and casualty insurance, and identification of pending or past-due code enforcement issues. Where necessary, the Receiver also advanced funds to cover outstanding and due expenses;
- Visited each of the Properties owned in the names of the Receivership Entities and engaged in extensive communication with the current tenants, including providing notification of the Receiver’s appointment and the need to continue to make required rent payments in addition to providing a dedicated email address where tenants can send notices or request help;
- Engaged in discussions with tenants regarding necessary repairs and utility interruption issues and, where necessary, taking action to address these issues;
- Identified approximately \$70,000.00 in outstanding and overdue real estate tax obligations for several of the Properties, including the sale of tax certificates that will require redemption;
- Interviewed and solicited proposals from professionals to assist the Receiver with executing her duties under the Order Appointing Receiver, including information technology, forensic accounting, and tax;
- Interviewed several property management companies to assist in managing the Properties, ultimately sought and received Court approval to retain Keyes Property Management to provide property management services, and engaged in extensive communications with tenants and Keyes to ensure smooth transition;
- Begun process of obtaining and opening bank accounts for each of the Receivership Entities;
- Identified, reviewed, and secured company documents, including investor files and records of corporate ownership and structure;
- Begun her review of potential claims to recover investor assets wrongfully misappropriated and/or fraudulently transferred;
- Served the Order Appointing Receiver on 20 individuals and entities who the Receiver determined may have assets and/or records belonging to Receivership Entities;
- Served four subpoenas on parties and non-parties seeking documents related to their role and relationship with Receivership Entities;

- Identified litigation initiated by investor in Receivership Entities and contacted investor counsel regarding litigation stay provisions set forth in Order Appointing Receiver;
- Identified mortgage and servicing entities for several Properties and engaged in discussions with counsel for servicing company regarding past due loan payments and deferral of foreclosure actions pursuant to the Order Appointing Receiver;
- Fielded calls from investors, interested parties, tenants, and potential purchasers; and
- Obtained control of the company's website (www.propertyii.com); and
- Secured the domain name of www.propertyiireceivership.com to be used as an informational website for investors and other interested parties. The website recently went live following the Court's approval of a website vendor.

The above activities are discussed in more detail in the Receiver's First Interim Report which was filed on July 30, 2021 (Doc. 20) (the "Interim Report") and contains comprehensive and detailed information regarding the case background and status; the recovery and disposition of assets; financial information on Receivership Entities; the proposed course of action to be taken regarding assets in the Receivership estate; and potential and/or contemplated litigation involving Receivership Entities. The Receiver incorporates the Interim Report into this Application and attaches a true and correct copy of the Interim Report as **Exhibit 2** for the Court's convenience.

II. Background

On June 7, 2021, the Commission filed a complaint (Doc. 1) (the "Complaint") in the United States District Court for the Southern District of Florida (the "Court") alleging that Defendants Larry Brodman, Anthony Nicolosi f/k/a Anthony Peluso, and the Receivership Entities violated the Securities Act of 1933 and the Securities Exchange Act of 1934 by engaging in a series of unregistered fraudulent securities offerings that involved false or

materially misleading representations to investors and which ultimately resulted in the misuse or misappropriation of over \$2 million of investor funds. Doc. 1.

According to the Complaint, the series of unregistered fraudulent securities offerings were conducted on behalf of 11 companies controlled by Receivership Entity Property Income Investors, LLC (“PII”) and Defendant Brodman. Those companies, whose names typically consisted of the phrase “Property Income Investors” and the street number of the property which was being purchased (i.e., Property Income Investors 1361, LLC), comprise the Receivership Entities along with PII. *Id.* ¶ 2. Investors were told that their funds would be used almost entirely to purchase “turnkey, multifamily properties” in South Florida which would then be renovated, rented to tenants, and eventually sold. *Id.* ¶ 3. Defendants told prospective investors that they would be entitled to receive a portion of the rental income and any sale proceeds generated from the Property(ies) they were investing in. *Id.* Indeed, many investors were told that they could expect to receive annual returns of or around 7.5% which would be paid in quarterly distributions. *Id.* ¶ 44. In total, PII and Brodman raised at least \$9 million from January 2016 to September 2020. *Id.* ¶ 2.

Although investor funds were used to purchase various properties in the South Florida area, the Commission alleges that investor funds were frequently commingled with funds from other Receivership Entities. *Id.* ¶ 4. The Commission also alleges that PII and Brodman misused approximately \$1.2 million in investor funds by paying undisclosed sales commissions to unlicensed sales agents, including Defendant Nicolosi. *Id.* Brodman also allegedly diverted over \$1 million in investor funds to his personal account. Finally, at least

\$500,000 in investor funds were used to make purported payments of profits or distributions to other investors. Doc. 10 ¶¶ 70-71.

On June 15, 2021, the Court granted the Commission's Motion for Appointment of Receiver and entered an Order appointing Miranda L. Soto as the Receiver over the Receivership Entities ("Order Appointing Receiver") (Doc. 10). The Receiver has commenced with her initial investigation and has also taken a number of actions to preserve and safeguard Receivership documents and assets.

Relevant to this Application, the Order Appointing Receiver authorizes the Receiver to appoint professionals to assist her in "exercising the power granted by this Order ..." See Order Appointing Receiver at ¶ 52. Moreover, the Receiver and her professionals are entitled to reasonable compensation and expense reimbursement from the assets of the Receivership Entities, subject to approval of the Court. *Id.* ¶ 53.

III. Professional Services

Paragraph 52 of the Order Appointing Receiver provides that:

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.

Paragraph 2 of the Order authorized the Receiver to retain Raquel A. Rodriguez, Esq. and Jordan D. Maglich, Esq. with the law firm of Buchanan Ingersoll & Rooney PC ("Buchanan Ingersoll") as counsel. Ms. Rodriguez and Mr. Maglich entered their respective Notices of Appearance on June 16, 2021 (Docs. 12-13). The Receiver subsequently received approval to retain Keyes (Doc. 15) and has recently filed her motion for authorization to engage

Retained Personnel to provide legal, forensic accounting and tax, information technology, and website professionals (Doc. 16). However, because Keyes' compensation arrangement was separately approved by the Court and no other professionals were engaged during the period from June 15, 2021 to June 30, 2021, this Interim Fee Application only seeks compensation for services and expenses incurred by the Receiver and her counsel.

As described in the Interim Report, the Receiver and her counsel have provided services and incurred expenses to investigate the affairs of the Receivership Entities, preserve the Receivership assets, and attempt to locate and recover additional assets. These services are for the benefit of defrauded investors, creditors, and other interested parties of the Receivership Entities. The Receiver has not previously sought the reimbursement of any fees or costs in this matter for herself or her professionals. Due to the recoveries described herein, the Receiver represents there are funds available to pay professionals, which will not take away resources from operating, maintaining and preserving the Receivership Entities' assets.

The Order Appointing Receiver directs the Receiver to "apply to the Court for compensation and expense reimbursement from the Receivership Estates" within forty-five days after the end of each calendar quarter and with at least thirty days prior notice of such application to the Commission. Doc. 10 ¶ 54. The Order further provides that 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." *Id.* ¶ 53. In accordance with the Billing Instructions, the Receiver states as follows:

(a) Time period covered by the Application: June 15, 2021 – June 30, 2021.

(b) Date of Receiver's appointment: June 15, 2021.

(c) Date services commenced: June 15, 2021.

(d) Names and rates of all professionals: See Exs. 5-6.

(e) Interim or Final Application: Interim.

(f) Records supporting fee application: See below.

The following exhibits are provided in accordance with the Billing Instructions:

Exhibit 3: Receiver's Certification

Exhibit 4: Total compensation and expenses requested; any amounts previously requested; and total compensation and expenses previously awarded

Exhibit 5: Fee Schedule: Names and Hourly Rates of Professionals and Paraprofessionals & Total Amount Billed for each Professional and Paraprofessional:

Exhibit 5(a): Buchanan Ingersoll & Rooney PC (services provided by Receiver Miranda L. Soto)

Exhibit 5(b): Buchanan Ingersoll & Rooney PC (services provided by counsel to Receiver Miranda L. Soto)

Exhibit 6: The Professionals' time records for the time period covered by this Application, sorted in chronological order, including a summary and breakdown of the requested reimbursement of expenses:

Exhibit 6(a): Buchanan Ingersoll & Rooney PC (services provided by Receiver Miranda L. Soto)

Exhibit 6(b): Buchanan Ingersoll & Rooney PC (services provided by counsel to Receiver Miranda L. Soto)

IV. Case Status

(a) Cash on hand

The amount of cash on hand in the Receivership's fiduciary bank accounts opened at ServisFirst Bank (the "ServisFirst Accounts") as of the date of filing this Application is \$1,140,390.15. The Receiver has also secured and frozen a number of bank accounts held by the Receivership Entities at JP Morgan Chase Bank N.A., (the "Chase Accounts"), and the Receiver is in the process of transferring those frozen funds in the Chase Accounts to her ServisFirst Accounts. The total balance of the funds frozen in the Chase Accounts has fluctuated between \$12,000 and \$15,000 given the periodic deposit of monthly rental payments from property tenants and the payment of expenses in the ordinary course of the administration and operation of the Receivership.

(b) Summary of the administration of the case

Since her appointment on June 15, 2021, the Receiver has administered the case with the objective of efficiently fulfilling her duties under the Order Appointing Receiver while doing so as cost-effectively as possible by, wherever possible, leveraging the use of non-billing professionals or professionals with lower rate structures. After initially prioritizing the securing and marshaling of assets for the benefit of creditors, including reviewing the status of the Properties and subsequently retaining Keyes to provide property management services for the Properties, the Receiver and her professionals have focused on investigating the Receivership Entities' prior operations and performance. As of the date of this Application, the Receiver currently has approximately \$1.15 million in the ServisFirst Accounts and the frozen Chase Accounts. The only disbursements to date for the benefit of the Receivership Entities have been various expenses in the ordinary course of the administration and operation of the Receivership, including expenses advanced by the Receiver that were necessary to

maintain and preserve the Properties.³ Given the early state of this matter, the Receiver is unable to offer an estimate as to when the case is expected to close.

(c) Summary of creditor claims proceedings

Given the early stages of her appointment, the Receiver has not yet established a formal claims process. The unique nature of the receivership case may present the need for multiple classifications of claims; however, any such classification would require Court approval and the Receiver has not yet made any determination. There also exists the possibility that non-investor claimants, such as third parties that provided services to the Receivership Entities, may also seek payment for the services provided and labor performed prior to or even following the receivership. General trade creditors also may hold claims for their pre-receivership services. The Receiver foresees developing a comprehensive claims process to address and verify the various claims which will then be submitted to the Court for approval when finalized.

³ In order to open the fiduciary bank accounts required by the Order Appointing Receiver, the Receiver took steps to apply for an Employer Identification Number (“EIN”) for the Receivership Entities. That process was complicated by what the Receiver understands to be a system-wide backlog at the Internal Revenue Service. As a result, the Receiver was unable to immediately access funds held in the Chase Accounts to pay expenses needed in the ordinary course of business for the Receivership Entities. The Receiver determined that it was necessary and prudent to advance certain funds where needed to preserve and maintain the Properties, including the payment of overdue utility bills and other related expenses that, if left unpaid, could have resulted in utility shut-offs. The Receiver believes that these advances constitute “expenses in the ordinary course of the administration and operation of the receivership” for which Court approval is not required pursuant to Paragraph 51 of the Order Appointing Receiver. One expense, the payment of an overdue water bill, is included in this Interim Fee Application. The Receiver has been accounting for any subsequent advances occurring after this reporting period and at some point in the near future intends to reimburse those expenses from Receivership funds. Any such reimbursement will be documented and set forth in the Fee Application for the period(s) during which the reimbursement was made.

(d) Description of assets

In additional to the descriptions provided herein, for detailed information about the assets of the receivership estate, including the anticipated or proposed disposition of the assets, the Receiver respectfully refers the Court and interested parties to the Interim Report attached hereto as **Exhibit 2**.

(e) Description of liquidated and unliquidated claims held by the Receiver

Given the early nature of her appointment, the Receiver is still evaluating potential claims the Receivership Entities may have against third parties. These claims remain subject to the Receiver's ongoing investigation with the assistance of her legal and forensic professionals. The Receiver also continues to review potential causes of action against the principals of the Receivership Entities and various third parties. These claims may include common law claims and claims under fraudulent transfer statutes. While the Receiver cannot yet predict the likelihood, amount or cost-effectiveness of particular claims or the claims as a whole, the Receiver continues to diligently evaluate claims against third parties.

IV. Services Provided And Compensation Sought By The Professionals

(a) Services Provided By The Receiver And Buchanan Ingersoll

The Receiver is a shareholder at the law firm of Buchanan Ingersoll & Rooney PC, is Board Certified in Civil Trial law, and has significant experience in litigation and complex commercial matters including private equity and hedge fund claims, complex fraud matters, and professional and legal malpractice. As set forth in the Order Appointing Receiver, the Court authorized the Receiver to retain the services of Raquel A. Rodriguez and Jordan D. Maglich to serve as her legal counsel (collectively, the Receiver's "Counsel"). As an

accommodation to the Receiver and given the public interest nature of this matter, Buchanan Ingersoll agreed to reduce the billing rate of its professionals for this case as provided in the Fee Schedule attached hereto as **Exhibit 5** which was, on average, at least 20% lower (and in some instances, significantly lower) than the customary rate charged to clients. For purposes of just this Application, these discounts resulted in a total reduction of over \$40,000 from the rates customarily charged by Buchanan Ingersoll attorneys to clients.

The standard hourly rate which the Receiver charges clients ranges from \$555 to \$650. However, the Receiver agreed that for purposes of her appointment as the Receiver, her hourly rate would be reduced to \$295.00 per hour, representing a discount of approximately (or over) 50% percent off the standard hourly rate which she charges clients in comparable matters. This rate was set forth in the Commission's Motion to Appoint Receiver, which the Court granted on June 15, 2021 (Doc. 10). During the time covered by this motion, the Receiver expended 24.5 hours on this Receivership. A copy of the statement summarizing the services rendered by the Receiver is attached hereto as **Exhibit 6(a)**. The Receiver requests the Court award her fees for professional services rendered and costs incurred from June 15, 2021, through June 30, 2021, in the amounts of \$7,227.50 and \$2,051.25, respectively.

During the period covered by this Application, the Receiver's Counsel billed 137.90 hours in assisting the Receiver in fulfilling her duties under the Order Appointing Receiver but only seeks compensation for 122.90 of those hours. Each of the Receiver's counsel agreed to reduce their hourly rate to \$295.00 per hour, which is significantly less than the standard hourly rate charged by Raquel A. Rodriguez (\$930.00 per hour) and Jordan D. Maglich (\$450.00 per hour). Where possible, the Receiver and her Counsel were able to leverage the

use of non-billing professionals to avoid billable time for a significant range of otherwise-billable activity. The statement summarizing the services rendered by Buchanan Ingersoll is encompassed within **Exhibit 6(b)** attached hereto. The work performed by Buchanan Ingersoll has been focused on investigating the fraud and related activities underlying this matter; locating, preserving and taking control of Receivership assets; and investigating and pursuing additional assets for the Receivership as detailed in the Interim Report. Accordingly, the Receiver requests that the Court award Buchanan Ingersoll fees for professional services rendered from June 15, 2021, through June 30, 2021, in the amount of \$36,255.50.

The Receiver and her legal professionals with Buchanan Ingersoll provided these services to investigate the affairs of the Receivership Entities, preserve Receivership assets, and attempt to locate and recover additional assets. These services were incurred in connection with the administration of the Receivership and are for the benefit of aggrieved investors, creditors, and other interested parties of the Receivership Entities. All of the services for which compensation is sought were incurred in the best interests and behalf of the Receivership Entities and in furtherance of the duties of the Receiver, and in discharge of the Receiver's responsibilities under the Order Appointing Receiver.

MEMORANDUM OF LAW

A receiver appointed by a court who reasonably and diligently discharges her duties is entitled to be fairly compensated for services rendered and expenses incurred. *See SEC v. Elliott*, 953 F.2d 1560 (11th Cir. 1992) (“[I]f a receiver reasonably and diligently discharges her duties, [she] is entitled to compensation.”); *Donovan v. Robbins*, 588 F. Supp. 1268, 1272 (N.D. Ill. 1984) (“[T]he receiver diligently and successfully discharged the responsibilities

placed upon her by the Court and is entitled to reasonable compensation for her efforts.”); *SEC v. Custable*, 1995 WL 117935 (N.D. Ill. Mar. 15, 1995) (receiver is entitled to fees where work was of high quality and fees were reasonable); *SEC v. Mobley*, 2000 WL 1702024 (S.D.N.Y. Nov. 13, 2000) (court awarded reasonable fees for the receiver and her professionals). In determining reasonable compensation for the services rendered by the Receiver and her professionals, the Court should consider the circumstances surrounding the receivership. *See Elliot*, 953 F.2d at 1577.

In addition to fees, the receiver is “also entitled to be reimbursed for the actual and necessary expenses” that the receiver “incurred in the performance of [its] duties.” *FTC v. Direct Benefits Grp., LLC*, 2013 WL 6408379, at *3 (M.D. Fla. 2013). The Receiver and her professionals support their claims for reimbursement of expenses with “sufficient information for the Court to determine that the expenses are actual and necessary costs of preserving the estate.” *SEC v. Kirkland*, 2007 WL 470417, at *2 (M.D. Fla. 2007) (citing *In re Se. Banking Corp.*, 314 B.R. 250, 271 (Bankr. S.D. Fla. 2004)).

Here, because of the nature of this case, it was and remains necessary for the Receiver to employ professionals experienced and familiar with financial frauds, federal receiverships, securities laws, finance, and real estate. Further, in order to perform the services required and achieve the results obtained to date, the skills and experience of the Receiver and the professionals were indispensable.

The Receiver and her legal professionals have each discounted their normal and customary rates as an accommodation to the Receivership and to conserve Receivership assets. The rates charged by the attorneys and paralegals are at or below those charged by

attorneys and paralegals of comparable skill from other law firms in the Southern District of Florida. As this is the Receiver's first motion for fees and costs, the Receiver and her professionals have not received compensation for their services or for un-reimbursed out-of-pocket costs although they have worked diligently on this matter and continue to do so. This case has been time-intensive for the Receiver and her professionals because of the need to resolve many issues rapidly and efficiently. The attached Exhibits detail the time, nature and extent of the professional services rendered by the Receiver and her professionals for the benefit of investors, creditors, and other interested parties. The Receiver anticipates that additional funds will be obtained through the Receiver's further efforts and potential litigation with third parties.

The Receiver is sensitive to the need to conserve the Receivership Entities' assets and respectfully submits that the fees and costs expended to date were reasonable, necessary, and benefited the Receivership. Notably, the Commission has no objection to the relief sought in this motion. *Custable*, 1995 WL 117935, *7 ("In securities law receiverships, the position of the SEC in regard to the awarding of fees will be given great weight.").

CONCLUSION

Under the terms and conditions of the Order Appointing Receiver, the Receiver, among other things, is authorized, empowered, and directed to engage professionals to assist her in carrying out her duties and obligations. The Order further provides that she apply to the Court for authority to pay herself and her professionals for services rendered and costs incurred. In exercising her duties, the Receiver has determined that the services rendered and

their attendant fees and costs were reasonable, necessary, advisable, and in the best interest of the Receivership.

WHEREFORE, Miranda L. Soto, the Court-appointed Receiver, respectfully requests that this Court award the following sums and direct that payment be made from the Receivership assets:

Miranda L. Soto	\$9,278.75
Buchanan Ingersoll & Rooney PC	\$36,255.50

A proposed Order is attached as **Exhibit 7**.

WHEREFORE, the Receiver seeks entry of an Order granting this motion and awarding the Receiver and her professionals their interim fees, reimbursement of costs, and for such other relief that is just and proper.

LOCAL RULE 7.1(a)(3) CERTIFICATION

Pursuant to Local Rule 7.1(a)(3), the undersigned certifies that counsel for the Receiver conferred with counsel for the Commission and Defendants Larry Brodman and Anthony Nicolosi prior to filing this Motion. Counsel for the Commission has indicated it does not oppose the requested relief. Counsel for both Brodman and Nicolosi indicated they will reserve providing their position until they have reviewed the motion and supporting documentation.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC
/s/ Raquel A. Rodriguez
Raquel A. Rodriguez, FBN 511439
One Biscayne Tower
2 S. Biscayne Blvd, Suite 1500
Miami, FL 33131-1822

T: 305-347-4080
F: 305-347-4089
raquel.rodriguez@bipc.com

and

BUCHANAN INGERSOLL & ROONEY PC

By: /s/ Jordan D. Maglich
Jordan D. Maglich, Esq. (FBN 0086106)
401 E. Jackson St., Suite 2400
Tampa, FL 33602
T: 813-222-1141
F: 813-222-8189
jordan.maglich@bipc.com
Attorneys for Receiver
Miranda L. Soto

CERTIFICATE OF SERVICE

I hereby certify that on August 16, 2021, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Alice Sum, Esq.
Securities and Exchange Commission
801 Brickell Avenue, Suite 1950
Miami, Florida 33131
Counsel for Plaintiff

Mark C. Perry, Esq.
2400 East Commercial Blvd., Ste 201
Fort Lauderdale, Florida 33308
Counsel for Defendant, Anthony Nicolosi, fka Anthony Peluso

I further certify that on August 16, 2021, a true and correct copy of the foregoing was sent via electronic mail to the following:

Carl F. Schoeppl, Esq.
Schoeppl Law, P.A.
4651 North Federal Highway
Boca Raton, Florida 33431-5133
E-mail: carl@schoeppllaw.com
Counsel for Defendant Larry Brodman

/s/ Jordan D. Maglich
Attorney

EXHIBIT “1”

Miranda L. Soto
2 South Biscayne Blvd, Suite 1500
Miami, FL 33131-1822
(305) 347-4080

STANDARDIZED FUND ACCOUNTING REPORT

Civil - Receivership Fund

Property Income Investors, LLC et al.
Civil Court Docket No. 21-61176-CIV-SINGHAL

Reporting Period 06/15/2021 (inception) to 06/30/2021

KAUFMAN & COMPANY P.A.
C E R T I F I E D P U B L I C A C C O U N T A N T S
E X P E R I E N C E • I N T E G R I T Y • T R U S T

**REPORT OF KAUFMAN & COMPANY ON THE
STANDARDIZED FUND ACCOUNTING REPORT**

Miranda L. Soto,
Receiver for Property Income Investors, LLC et. al.
Miami, FL

Miranda L. Soto, in her capacity as Receiver for Property Income Investors, LLC et al., is responsible for the accompanying Standardized Fund Accounting Report (“SFAR”) for the period June 15, 2021 to June 30, 2021 included in the accompanying prescribed form in accordance with requirements prescribed by *Exhibit A to the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission*. The Report Instructions indicate that the SFAR “should be prepared on a cash basis which is a comprehensive basis of accounting other than generally accepted accounting principles”. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the SFAR included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Ms. Soto and her representatives. We do not express an opinion, a conclusion, nor provide any assurance on the SFAR included in the accompanying prescribed form.

The SFAR included in the accompanying prescribed form is presented in accordance with the requirements of *Exhibit A to the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission* and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of Ms. Soto and the U.S. Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

Kaufman & Company P.A.
Miami, FL
August 12, 2021

1001 Brickell Bay Drive
Suite 2650
Miami, FL 33131

(305) 455-0314
Fax: (305) 455-0315
dkaufman@kaufmanpcpas.com

**Standardized Fund Accounting Report for
 Miranda L. Soto as Receiver for Property Income Investors, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 21-61176-CIV-SINGHAL
 Reporting Period 06/15/2021 to 06/30/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 06/15/2021):			\$ -
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	Schedule 2	\$ 5,560	
Line 3	Cash and Securities	Schedule 3	8,319	
Line 4	Interest/Dividend Income			
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation			
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other	Schedule 8	<u>1,125,513</u>	
	Total Funds Available (Line 1 - 8):		\$ 1,139,393	\$ 1,139,393
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals			
Line 10b	Business Asset Expenses			
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses			
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	Total Disbursements for Receivership Operations			
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	Total Disbursements for Distribution Expenses Paid by the Fund			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	Total Disbursements to Court/Other:			
	Total Funds Disbursed (Lines 9 - 11)			
Line 13	Ending Balance (As of 06/15/2021)			\$ 1,139,393

**Standardized Fund Accounting Report for
 Miranda L. Soto as Receiver for Property Income Investors, LLC et al. - Cash Basis
 Receivership; Civil Court Docket No. 21-61176-CIV-SINGHAL
 Reporting Period 06/15/2021 to 06/30/2021**

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents	Schedule 3	\$ 13,880	
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds	Schedule 8	1,125,513	
	Total Ending Balance of Fund - Net Assets			\$ 1,139,393
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund			
Line 15b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice/Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance/Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund			
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses/CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund			
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
Line 18a	# of Claims Received This Reporting Period			
Line 18b	# of Claims Received Since Inception of Fund			
Line 19	No of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period			
Line 19b	# of Claimants/Investors Paid Since Inception of Fund			

Receiver:
 By: _____
 Title _____
 Date _____

Schedule 2

Business Income (loss)

Equinox Holdings	\$ (15.00)
Equinox Holdings	(0.27)
Property Income Investors LLC	(531.59)
Property Income Investors 26 LLC	829.11
PII-201	1,335.00
PII-304	(15.00)
PII-1361	1,720.80
PII-3504	(15.00)
PII-4020	932.15
PII-4450	1,335.00
PII-9007	<u>(15.00)</u>
Total Business Income (loss)	\$ 5,560.20

Schedule 3

Property Income Investors

<u>Company</u>	<u>Bank Account #</u>	<u>Statement Date</u>	<u>Balance</u>	<u>Statement Date</u>	<u>Balance</u>
Equinox Holdings	3683	6/15/2021	\$ 21.11	6/30/2021	\$ 6.11
Equinox Holdings	7387	6/15/2021	147.28	6/30/2021	147.01
Property Income Investors LLC	1215	6/15/2021	2,057.12	6/30/2021	1,525.53
Property Income Investors 26 LLC	8610	6/15/2021	50.14	6/30/2021	879.25
PII-201	1569	6/15/2021	504.76	6/30/2021	1,839.76
PII-304	5662	6/15/2021	1,263.97	6/30/2021	1,248.97
PII-1361	7691	6/15/2021	117.50	6/30/2021	1,838.30
PII-3504	8263	6/15/2021	1,525.91	6/30/2021	1,510.91
PII-4020	3376	6/15/2021	2,387.40	6/30/2021	3,319.55
PII-4450	7396	6/15/2021	220.63	6/30/2021	1,555.63
PII-9007	8396	6/15/2021	23.48	6/30/2021	8.48
Total Cash			\$ 8,319.30		\$ 13,879.50

Equinox Holdings a/c xxx3683

6/15/2021-6/30/2021

Opening balance 06.15.21

21.11

Deposits

Withdrawals

Expense category

Payee

Bank fees

Monthly service fee

15.00

15.00

-

End balance 06.30.21

6.11

Equinox Holdings a/c xxx7387
6/15/2021-6/30/2021

Opening balance 06.15.21 147.28

Deposits

Interco transfer	PII 1215	1,800.00
Interco transfer	PII 5662	1,000.00

Withdrawals

Expense category	Payee		
Dues & Subscriptions	Hostgator.com & Wix.com	64.00	
Payroll taxes	ADP - taxes	789.75	
Salaries	ADP - wages	1,901.50	
Payroll processing fees	ADP - fees	33.02	
Bank fees	Monthly service fee	12.00	
		2,800.27	2,800.00

End balance 06.30.21 147.01

Property Income Investors LLC

6/15/2021-6/30/2021

Opening balance 06.15.21 2,057.12

Deposits

Rent 1,600.00

Withdrawals

Expense category	Payee		
Interco transfer	Equinox 7387	1,800.00	
Utilities	Broward County water	319.59	
Bank fees	Monthly service fee	12.00	
		2,131.59	1,600.00

End balance 06.30.21 1,525.53

PII 26

6/15/2021-6/30/2021

Opening balance 06.15.21 50.14

Deposits

Rent 841.11

Withdrawals

Expense category	Payee		
Bank fees	Monthly service fee	12.00	
		<u>12.00</u>	841.11

End balance 06.30.21 879.25

PII 201

6/15/2021-6/30/2021

Opening balance 06.15.21 504.76

Deposits

Rent 1,350.00

Withdrawals

Expense category

Payee

Bank fees

Monthly service fee

15.00

15.00 **1,350.00**

End balance 06.30.21

1,839.76

PII 304

6/15/2021-6/30/2021

Opening balance 06.15.21 1,263.97

Deposits

Rent		1,200.00
Interco transfer	PII 7691	800.00

Withdrawals

Expense category	Payee		
Interco transfer	Equinox 7387	1,000.00	
Interco transfer	PII 1205	1,000.00	
Bank fees	Monthly service fee	15.00	
		2,015.00	2,000.00

End balance 06.30.21 1,248.97

PII 1361

6/15/2021-6/30/2021

Opening balance 06.15.21 117.50

Deposits

Rent received 2,600.00

Withdrawals

Expense category

Payee

Telephone	AT&T	64.20	
Interco transfer	PII 5662	800.00	
Bank fees	Monthly service fee	15.00	
		<u>879.20</u>	<u>2,600.00</u>

End balance 06.30.21 1,838.30

PII 3504

6/15/2021-6/30/2021

Opening balance 06.15.21 1,525.91

Deposits

Withdrawals

Expense category

Payee

Bank fees

Monthly service fee 15.00

15.00 -

End balance 06.30.21 1,510.91

PII 4020

6/15/2021-6/30/2021

Opening balance 06.15.21 2,387.40

Deposits

Rent 2,950.00

Withdrawals

Expense category

Payee

Interco transfer	acc #1205 (PII 1205)	2,000.00	
Bank fees	Monthly service fee	17.85	
		<u>2,017.85</u>	<u>2,950.00</u>

End balance 06.30.21 3,319.55

PII 4450

6/15/2021-6/30/2021

Opening balance 06.15.21 220.63

Deposits

Rent received 1,350.00

Withdrawals

Expense category

Payee

Bank fees

Monthly service fee

15.00

15.00 1,350.00

End balance 06.30.21 1,555.63

PII 9007

6/15/2021-6/30/2021

Opening balance 06.15.21 23.48

Deposits

Withdrawals

Expense category

Payee

Bank fees

Monthly service fee

15.00

15.00

-

End balance 06.30.21 8.48

Schedule 8

Miranda L. Soto as Receiver for Property Income Investors, LLC et al.
Civil Court Docket No. 21-61176-CIV-SINGHAL
Reporting Period 06/15/2021 to 06/30/2021

Disclosure for Schedule 8

The receivership acquired \$1,125,513.37 that was being held by Kelley & Grant which constituted escrowed sale proceeds from the sale of two pieces of real estate. It was transferred to the Receiver's Counsel Trust account on June 22, 2021.

Outgoing Payments Report



Company: Buchanan Ingersoll and Rooney PC

Requester: Bywalski, Jessi

Run Date: 07/14/2021 2:24:07 PM EDT

Domestic High Value (Wire)

Payment Category: Urgent/Wire

Status: Processing By Bank
Transaction Number: XXXXXXXXXXXX1A10

Debit Account Information

Debit Bank: XXXXXX0277
Debit Account: XXXXXXXX9999
Debit Account Name: BOAFLIOLTA2 - Miami IOLTA
Debit Currency: USD

Beneficiary Details

Beneficiary Name: Miranda L Soto Receiver for
Beneficiary Address: Property Income Investors et al
Beneficiary City: Miami
Beneficiary Postal Code: 33131
Beneficiary Country: US - United States of America

Beneficiary Account: XXXXX8922
Beneficiary Bank ID: XXXXX6505
SERVISFIRST BANK
2500 WOODCREST PLACE
BIRMINGHAM
US - United States of America

Beneficiary Email:
Beneficiary Mobile Number:

Payment Details

Credit Currency: USD
Credit Amount: 1,125,513.37

Value Date: 07/14/2021

Optional Information

Sender's Reference Number: XXXXXXXXXXXX1A10

Beneficiary Information: Funds Received from
Kelly and Grant PA on 210622

Additional Routing

Intermediary Bank ID:

Receiver Information:

Control Information

Input: xxxxxski1
Approved: xxXX0832
Initial Confirmation: XXXXXXXXXXXXXXX8029

Input Time: 07/14/2021 2:15:28 PM EDT
Time: 07/14/2021 2:20:11 PM EDT

EXHIBIT “2”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO.: 21-61176-CIV-SINGHAL

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.

RECEIVER'S FIRST INTERIM QUARTERLY REPORT

Miranda L. Soto, Esq., solely in her capacity as Receiver (the "Receiver") for Defendants 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; and Property Income Investors 3050, LLC (collectively, the "Receivership Entities"), and pursuant to the Order Granting Plaintiff Securities and Exchange Commission's (the "Commission") Motion for Appointing Receiver, dated June 15, 2021 (Doc. 10), respectfully files her First Interim Report.

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I. INTRODUCTION

Miranda L. Soto, Esq., solely in her capacity as Receiver (the “Receiver”) for Defendants Property Income Investors, LLC (“PII”); Equinox Holdings, Inc. (“Equinox”); 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; and Property Income Investors 3050, LLC, hereby files this First Interim Report to inform the Court, investors, and interested parties of the significant activities undertaken to date as well as proposed courses of action moving forward. In addition to providing notice of the receivership to all known investors shortly after her appointment, the Receiver has received Court approval to retain a vendor to establish an informational website at www.propertyiireceivership.com which will be operational in the coming weeks and will be regularly updated with important court filings (including this and subsequent Interim Reports), announcements, and other news that might be of interest to affected individuals and third-party entities.

A. Overview of Significant Activities During This Reporting Period

During the time period covered by this Interim Report (June 15, 2021 through June 30, 2021), the Receiver and her counsel have engaged in significant activities including but not limited to:

- Interviewed numerous individuals, personnel and service providers involved with the Receivership Entities, including Defendants Brodman and Nicolosi, employees, vendors, investors, legal counsel, and other interested parties in order to ascertain locations of the properties, books, records, bank accounts and other assets of the Receivership Entities;
- Gained entry to, secured, and inventoried a storage unit containing the contents of an office previously used by the Receivership Entities in Coral Springs, Florida, including documents and computers located in that office;

- Identified, secured, and froze 12 bank accounts previously used by the Receivership Entities at JP Morgan Chase Bank, N.A., obtained account statements and other documentation, and begun analyzing account activity and flow of funds;
- Identified approximately \$1.125 million being held in escrow for the benefit of one or more Receivership Entities at a Boca Raton, Florida law firm and arranged for the transfer of those funds to the Receiver's law firm trust account pending opening of fiduciary bank accounts;
- Identified real estate parcels currently and previously owned by Receivership Entities (the "Properties") and took continuing steps to secure and safeguard those assets, including analysis of status of outstanding mortgages, taxes and liens, research into utility status and obligations, verification of property and casualty insurance, and identification of pending or past-due code enforcement issues. Where necessary, the Receiver through her law firm also advanced funds to cover outstanding and owing expenses;
- Visited each of the properties owned in the names of the Receivership Entities and engaged in extensive communication with the current tenants, including providing notification of the Receiver's appointment and the need to continue to make required rent payments in addition to providing a dedicated email address where tenants can send notices or request help;
- Engaged in discussions with property tenants regarding necessary repairs and utility interruption issues and, where necessary, taking action to address these issues;
- Identified approximately \$70,000.00 in outstanding and overdue real estate tax obligations for several of the Properties, including the sale of tax certificates that will require redemption;
- Interviewed and solicited proposals from professionals to assist the Receiver with executing her duties under the Order Appointing Receiver, including information technology, forensic accounting, and tax;
- Interviewed several property management companies to assist in managing the Properties, ultimately sought and received Court approval to retain Keyes Property Management to provide property management services, and engaged in extensive communications with tenants and Keyes to ensure smooth transition;
- Begun process of obtaining and opening bank accounts for each of the Receivership Entities;
- Identified, reviewed, and secured company documents, including investor files and records of corporate ownership and structure;
- Begun her review of potential claims to recover investor assets wrongfully misappropriated and/or fraudulently transferred;

- Served the Order Appointing Receiver on 20 individuals and entities who the Receiver determined may have assets and/or records belonging to Receivership Entities;
- Served four subpoenas on parties and non-parties seeking documents related to their role and relationship with Receivership Entities;
- Identified litigation initiated by investor in Receivership Entities and contacted investor counsel regarding litigation stay provisions set forth in Order Appointing Receiver;
- Identified mortgage and servicing entities for several Properties and engaged in discussions with counsel for servicing company regarding past due loan payments and deferral of foreclosure actions pursuant to Order Appointing Receiver;
- Fielded calls from investors, interested parties, tenants, and potential purchasers and brokers;
- Obtained control of the company's website (www.propertyii.com); and
- Taken steps to secure the domain name of www.propertyiireceivership.com that, when operational, will serve as an informational website for investors and other interested parties.

The above referenced activities are discussed in more detail in the pertinent sections of this Interim Report. The Receiver and her professionals have continued their diligent work in the time that has elapsed following June 30, 2021, and details of those activities will be included in this report where necessary and instructive.

II. BACKGROUND

A. Procedure and Chronology

On June 7, 2021, the Commission filed a complaint (Doc. 1) (the "Complaint") in the United States District Court for the Southern District of Florida (the "Court") alleging that Defendants Larry Brodman, Anthony Nicolosi f/k/a Anthony Peluso, and the Receivership Entities violated the Securities Act of 1933 and the Securities Exchange Act of 1934 by engaging in a series of unregistered fraudulent securities offerings that involved false or materially misleading representations to investors and which ultimately resulted in the misuse or misappropriation of over \$2 million of investor funds. Doc. 1.

According to the Complaint, the series of unregistered fraudulent securities offerings were conducted on behalf of 11 companies controlled by Receivership Entity Property Income Investors, LLC (“PII”) and Defendant Brodman. Those companies, whose names typically consisted of the phrase “Property Income Investors” and the street number of the property which was being purchased (i.e., Property Income Investors 1361, LLC), comprise the Receivership Entities along with PII. *Id.* ¶ 2. Investors were told that their funds would be used almost entirely to purchase “turnkey, multifamily properties” in South Florida which would then be renovated, rented to tenants, and eventually sold. *Id.* ¶ 3. Defendants told prospective investors that they would be entitled to receive a portion of the rental income and any sale proceeds generated from the Property(ies) they were investing in. *Id.* Indeed, many investors were told that they could expect to receive annual returns of or around 7.5% which would be paid in quarterly distributions. *Id.* ¶ 44. In total, PII and Brodman raised at least \$9 million from January 2016 to September 2020 (the “Relevant Period”). *Id.* ¶ 2.

Although some investor funds were used to purchase various properties in the South Florida area, the Commission alleges that investor funds were frequently commingled with funds from other Receivership Entities. *Id.* ¶ 4. The Commission also alleges that PII and Brodman misused approximately \$1.2 million in investor funds by paying undisclosed sales commissions to unlicensed sales agents, including Defendant Nicolosi. *Id.* Brodman also allegedly diverted over \$1 million in investor funds to his personal account. Finally, at least \$500,000 in investor funds were used to make purported payments of profits or distributions to other investors. Doc. 10 ¶¶ 70-71.

On June 15, 2021, the Court granted the Commission’s Motion for Appointment of Receiver and entered an Order appointing Miranda L. Soto as the Receiver over the Receivership

Entities (“Order Appointing Receiver”) (Doc. 10). The Receiver has commenced with her initial investigation and has also taken a number of actions to preserve and safeguard Receivership documents and assets.

B. The Receivership Process And The Receiver’s Role and Responsibilities

At the Commission’s request, the Receiver submitted a proposal outlining her willingness to serve as a Receiver in this matter and indicating that she and the attorneys she intended to retain would provide a discount ranging from 20% - 30% from their standard hourly rates charged to clients. The Receiver serves as an independent agent of the Court and does not work for the Commission or any other government agency. Pursuant to the Order Appointing Receiver, the Court has directed that the Receiver:

- “[S]hall 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 and federal law...” and “shall assume and control the operation of the Receivership Entities and shall pursue and preserve all of their claims.” Doc. 10 ¶¶ 4-5;
- Shall “take custody, control, and possession of all Receivership Property and records relevant thereto from the Receivership Entities...” and “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.” *Id.* ¶ 7(b)-(c);
- 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...as the Receiver deems necessary and appropriate...” *Id.* ¶ 37; and
- Is directed to “develop a plan for the fair, reasonable, and efficient recovery and liquidation of all remaining, recovered, and recoverable Receivership Property...and to “file and serve a full report and accounting of each Receivership Estate” for each calendar quarter. *Id.* ¶¶ 46, 48.

As contemplated by the Order Appointing Receiver, the Receiver anticipates seeking Court approval at a future point in time for the institution of an equitable claims process for the benefit

of Kinetic Funds investors who have been victimized and suffered legitimate losses as a result of Defendants' actions, as well as other third-party vendors and/or creditors.

As described further in Section VI.B, the Receiver has already taken possession of assets and funds owned by the Receivership Entities and is in the process of determining whether any additional assets and funds may be identified and obtained. The assets secured by the Receiver largely include the Properties, and the Receiver has already begun working on the process to liquidate the Properties in a manner designed to be most cost-effective and beneficial for defrauded investors.

It is the Receiver's goal to, at the appropriate time and likely **by the end of this calendar year**, file a motion asking the Court to establish a claims process for the distribution of funds to creditors, including defrauded investors. As part of that process, she will seek Court approval of a proof of claim form and procedures for providing notice of the claims process to known and potential creditors, including publication in local and perhaps national newspapers and other media. The Receiver will ask the Court to establish a claims bar date by which all claimants will be required to serve their proof of claim forms on the Receiver, who will then evaluate the claims.

After the Receiver completes her evaluation of all timely received claims, she will present her determinations to the Court and ask the Court to approve them on an interim basis. She will then serve notice of her determinations on the claimants, who will have an opportunity to object to the Receiver's determinations through specific procedures approved by the Court and consistent with due process requirements. In the Receiver's experience, most objections can be resolved or settled using such procedures, but if any objections cannot be resolved, they will be presented to the Court for resolution. Through this process, the Receiver intends to propose and establish groups

or classes of creditors with approved claims and corresponding levels of priority that are entitled to receive distributions from the Receivership Estate.

Once the claims process has been completed or substantially completed, the Receiver will evaluate the amount of cash available for distribution and move the Court to approve a first interim distribution to claimants with approved claims. If material claim objections are pending at the time the Receiver determines a distribution is appropriate, among other options, she may move the Court to establish reserves for the claims at issue so they do not impair the Receiver's ability to make a distribution to claimants with undisputed claims. The Receiver anticipates making multiple distributions as assets become available, subject to cost/benefit concerns. When the Receiver determines there are no more assets to collect or claims to pursue, she will move the Court to make a final distribution to claimants and to close the Receivership.

The Receiver will also file a final report and accounting. While the procedures outlined above are generalized and are subject to change as the Receiver learns more about the defendants and Receivership Entities, the Receiver is hopeful that these procedures and safeguards will allow her to return assets to creditors, including defrauded investors, in an efficient and cost-effective manner.

C. Receivership Entities

Equinox Holdings Inc. ("Equinox") is a Florida corporation with its principal place of business in Coral Springs, Florida. Equinox was formed in 2012 for the purpose of converting Equinox Holdings LLC into a corporation. Jeffrey Rosenfeld and David Cohen were listed as managing members for the existing limited liability company and the newly-formed corporation. Equinox does not appear to currently own any real property.

Property Income Investors, LLC, is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII was formed by Larry Brodman in March 2016 and

lists Mr. Brodman as the Manager. PII is the owner of residential real property located at 530 NE 34th Street, Pompano Beach, Florida 33064.

Property Income Investors 1361, LLC (“PII 1361”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 1361 was formed by Larry Brodman in August 2017 and lists Mr. Brodman as the Manager. PII 1361 is the owner of residential real property located at 1361 SE 4th Street, Deerfield Beach, Florida 33441.

Property Income Investors 201, LLC (“PII 201”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 201 was formed by Larry Brodman in February 2017 and lists Mr. Brodman as the Manager. PII 201 is the owner of residential real property located at 201 E. 30th Street, Riviera Beach, Florida 33404.

Property Income Investors 26, LLC (“PII 26”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 26 was formed by Larry Brodman in December 2016 and lists Mr. Brodman as the Manager. PII 26 previously owned residential real property located at 10600 NW 37th Street, Coral Springs, Florida 33065, and 417 N. E. Street, Lake Worth, Florida 33460.

Property Income Investors 304, LLC (“PII 304”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 304 was formed by Larry Brodman in February 2017 and lists Mr. Brodman as the Manager. PII 304 is the owner of residential real property located at 3050 Coral Springs Drive, Coral Springs, Florida 33065.

Property Income Investors 3050, LLC (“PII 3050”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 3050 was formed by Larry Brodman in June 2019 and lists Mr. Brodman as the Manager. PII 3050 does not appear to currently own any real property.

Property Income Investors 3504, LLC (“PII 3504”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 3504 was formed by Larry Brodman in May 2017 and lists Mr. Brodman as the Manager. PII 3504 is the owner of residential real property located at 3775 NW 116th Terrace, Coral Springs, Florida 33065.

Property Income Investors 4020, LLC (“PII 4020”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 4020 was formed by Larry Brodman in November 2017 and lists Mr. Brodman as the Manager. PII 4020 is the owner of residential real property located at 4020 Riverside Drive, Coral Springs, Florida 33065.

Property Income Investors 417, LLC (“PII 417”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 417 was formed by Larry Brodman in April 2018 and lists Mr. Brodman as the Manager. PII 417 does not appear to currently own any real property.

Property Income Investors 4450, LLC (“PII 4450”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 4450 was formed by Larry Brodman in September 2018 and lists Mr. Brodman as the Manager. PII 4450 is the owner of residential real property located at 4450 Coral Springs Drive, Coral Springs, Florida 33065.

Property Income Investors 9007, LLC (“PII 9007”), is a Florida limited liability company with its principal place of business in Coral Springs, Florida. PII 9007 was formed by Larry Brodman in January 2018 and lists Mr. Brodman as the Manager. PII 9007 previously owned residential real property located at 9009 38th Drive, Coral Springs, Florida 33065.

D. Other Relevant Non-Party Entities

Capital Market Partners, Inc. (“CMP”) is a Florida corporation formed by Defendant Nicolosi in June 2000. It was originally known as AJP Capital Corp. but changed its name to

Capital Market Partners, Inc. in August 2003. CMP appears to have received a significant amount of transfers from one or more of the Receivership Entities during the Relevant Period.

LBB Maintenance & Repair LLC is a Florida limited liability company formed by Larry Brodman in April 2019. LBB appears to have received a significant amount of transfers from one or more of the Receivership Entities during the Relevant Period.

III. OVERVIEW OF RECEIVER'S PRELIMINARY FINDINGS

The Receiver is in the process of reviewing voluminous records recovered by her professionals and is also continuing efforts to obtain additional documents from third parties. This process has been complicated by several factors. First, the Receiver's appointment comes during the ongoing COVID-19 pandemic, which has resulted in delays to the Receiver's ability to timely obtain relevant documents from third parties including Defendants' banking institutions. Second, Defendants seemingly do not appear to have maintained complete, customary and separate books and records for the various businesses operated by the Receivership Entities, and it appears that corporate formalities of those various businesses were routinely disregarded. Third, the Receiver understands that Defendants Brodman and Nicolosi have previously asserted their Fifth Amendment right against self-incrimination during the Commission's investigation and it has been communicated through their respective counsel that Mr. Brodman will continue to assert those rights during the Receiver's investigation. The Receiver and her team have worked tirelessly and proactively to push through these obstacles.

Although the Receiver's appointment occurred only two weeks before the end of the required reporting period, she and her counsel have been working diligently during that time period and thus have been able to make certain preliminary observations which are set forth below. Based on the review of some of the records (which remains ongoing) as well as interviews with employees, investors, and others, and with the caveat that these are not final determinations, the

Receiver believes they should be shared with the Court, the investors, and other potentially interested parties.

A. The Equinox and Property Income Investors Offerings

a. The Equinox Offering

On or around November 14, 2012, Equinox was formed by Jeffrey Rosenfeld and David Cohen. On or around December 11, 2012, Equinox Holdings filed a Form D Notice of Exempt Offering of Securities with the Commission indicating it intended to raise up to \$20 million in an offering that was purportedly exempt from registration pursuant to Rule 506. The Receiver has seen several connections between Equinox and a company named Medical Connections Holdings, Inc. (“MCH”), including that (i) Jeffrey Rosenfeld previously served as the CEO of MCH, (ii) Defendant Nicolosi at one point served as the President of MCH, and (iii) at least one previous investor in MCH subsequently invested in Equinox.

As set forth in a Private Placement Memorandum dated January 17, 2013 (the “Equinox PPM”), Equinox told prospective investors it sought to capitalize from identifying and investing in “distressed and opportunistic real estate investments.” The Equinox PPM indicated it was seeking to raise up to \$7 million from investors, of which up to 10% of the proceeds would be used to compensate licensed broker/dealers for their efforts, and the vast majority of the proceeds would be used for “real estate acquisition development.” The PPM described two “targeted acquisitions” consisting of large parcels of undeveloped land that Equinox sought to purchase and subsequently develop with proceeds from the offering. At this initial point of her investigation, the Receiver is presently unable to determine whether Equinox acquired any real estate as a result of this offering – including the two “targeted acquisitions” described in the PPM. The question thus remains whether the Equinox PPM’s representations that 90% of investor funds would be invested in real estate were accurate.

Later in 2013, Defendant Brodman was listed as the company's Chief Operating Officer in a September 3, 2013 filing with the State of Florida.¹ Mr. Rosenfeld resigned from Equinox later in 2013,² and Mr. Brodman is listed as the company's CEO in its 2013 amended annual report.³ As of the February 2016 annual report, Mr. Brodman was the only listed officer and director for Equinox.⁴

Based on the Receiver's preliminary investigation, it appears that Equinox raised funds from at least 25 investors as early as November 18, 2012, and that Equinox continued to raise funds from investors as recently as August 2020.

b. The Property Income Investors Offerings

In March 2016, Brodman formed PII. At some point later that year, separate limited liability companies were formed with some iteration of "Property Income Investors" in the title and, it appears, were used to purchase specific real estate parcels. Brodman subsequently formed at least 10 entities between December 2016 and June 2019 that each contained "Property Income Investors" in the name followed by a specific number (which in most cases appears to have been a reference to the street number of a specific property).⁵

¹<http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2013%5C0906%5C00195349.Tif&documentNumber=P12000094600>

²<http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2013%5C1115%5C53565093.Tif&documentNumber=P12000094600>

³<http://search.sunbiz.org/Inquiry/CorporationSearch/GetDocument?aggregateId=domp-p12000094600-0a7d4e41-25ed-485b-a8ff-a26d32f50db3&transactionId=p12000094600-464d4b95-cc3d-49f7-82a3-b7b539b9ab37&formatType=PDF>

⁴<http://search.sunbiz.org/Inquiry/CorporationSearch/GetDocument?aggregateId=domp-p12000094600-0a7d4e41-25ed-485b-a8ff-a26d32f50db3&transactionId=p12000094600-494ca438-0bf0-4b90-96a2-5f9d7fba3024&formatType=PDF>

⁵ For example, PII 26 was formed in December 2016 and listed Mr. Brodman as the manager. In or around December 28, 2016, PII 26 paid \$495,000 to purchase a seven-unit multifamily residential property located at 26 Wisconsin St., Lake Worth, FL 33461.

No later than 2016, the Receiver understands that prospective investors were targeted through “cold calls” made by Brodman, Nicolosi, and apparently other sales agents working at Nicolosi’s direction. From speaking with investors, the Receiver has been told that the “cold calls” touted specific property(ies) that was being (or had been) purchased and that investors were promised annual returns ranging from 5% to 10% (with some investors being promised even higher returns). Specifically, investors were told that they would receive returns derived from the Receivership Entities’ renovation and ownership of multi-family properties consisting of (i) 70% of the net rental profits (with Brodman receiving the remaining 30%), and (ii) 50% of the profits when the property was sold (with Brodman receiving the remaining 50%). Investors were assured that there was minimal risk and little to no downside associated with the investments.

The Receiver has identified a September 2016 private placement memorandum prepared for PII (the “PII PPM”).⁶ The PII PPM indicated to prospective investors that PII intended “to use the net proceeds from this offering to acquire property and for general working capital purposes,” and that cash commissions of up to 10% of the raised proceeds would be paid to any “licensed broker/dealers” assisting in the offering. The “Use of Proceeds” section further specified that, assuming \$4 million was raised during the offering, \$3.6 million would be used to make real estate acquisitions and the remaining \$400,000 would be used for working capital. The section further indicated that PII “reserve[s] the right to modify the use of proceeds as we deem fit at our sole discretion.”

The Commission has alleged that PII raised at least \$9 million from investors during the Relevant Period of January and that the total cost and renovation of for all purchased properties

⁶ As discussed below in Section V.B., it does not appear that the PII PPM was provided to a significant number of investors.

(including the Properties) was approximately \$5 million. Although the Receiver only recently obtained approval to retain a forensic accountant, the Commission's allegations appear to be consistent with a preliminary review of the documents and financial statements in the Receiver's possession. These allegations, if true, would also suggest that the representations in the PII PPM that 90% of investor funds would be invested in real estate were not accurate.

B. The Use Of Sales Agents To Solicit Investors And Payment Of Transaction-Based Compensation

As referenced above, the Receiver has seen evidence that the Receivership Entities frequently used sales agents to solicit prospective investors in the various Receivership Entities. These sales agents include Defendant Brodman, an individual who appears to be Mr. Brodman's relative, Defendant Nicolosi, and several other individuals that were apparently affiliated with Nicolosi's company CMP. In a previous filing with the Commission, CMP was described as "a brokerage firm" and listed Nicolosi as its CEO.⁷ Of note, several of the sales agents affiliated with CMP appear to have used fictitious names when communicating with prospective investors. It appears that these sales agents primarily contacted prospective investors through the use of "cold calls" based on lead lists purchased from third parties.

The Receiver has not seen any evidence that any sales agents held the requisite licenses to sell securities. The Receiver has learned that Defendant Nicolosi (when he was known as Anthony Peluso) was barred from the securities industry in June 2001 for engaging in high-pressure sales tactics and making misrepresentations to customers. In June 2003, Mr. Peluso changed his name from Anthony Joseph Peluso to Anthony Joseph Nicolosi. In 2010, Mr. Nicolosi was the subject of a cease and desist order from the Alabama Securities Commission based on his role in soliciting

⁷ See https://www.sec.gov/Archives/edgar/data/1140303/000135448811001230/mcth_10ka.htm

investors in a different company and his misrepresentations and omissions concerning his previous industry bar and name change.⁸

After making these “cold calls,” those agents – either themselves or through an administrative employee at PII – sent correspondence (typically by email) to those prospective investors containing information on the proposed investment. This correspondence usually consisted of a short description and potential returns of the specific property investment, an attachment containing pictures and projections for the property, and a “Subscription Booklet” containing instructions to complete an investment. Of note, while the “Subscription Booklet” instructed interested investors to complete the attached Subscription Agreement and Operating Agreement, the vast majority of the Subscription Booklets distributed to prospective investors appear to only include the Subscription Agreement (and did not include the Operating Agreement). Further, although the Subscription Agreement provides that the “offer and sale of securities is being made in connection with the private placement memorandum,” it appears investors were often not provided a copy of PII PPM in the “Subscription Booklet” they were provided by the Receivership Entities; the Receiver has only seen that a very limited amount of prospective investors received the PII PPM (and typically only when requested by a diligent prospective investor).

Some emails were sent directly by the sales agents, including the below email sent by Defendant Nicolosi:

⁸ See <https://asc.alabama.gov/Orders/2010/CD-2010-0062.PDF>



Anthony Nicolosi <anicolosi@propertyii.com>

R.E. Investment/ [REDACTED]

5 messages

Anthony Nicolosi <anicolosi@propertyii.com>

Thu, Apr 6, 2017 at 6:37 PM

To: keithbuckholz@gmail.com, [REDACTED]

[REDACTED]

Thanks to [REDACTED] for the introduction.

To introduce myself, I am the Director of Assets for a fund manager in Coral Springs. My job is to return 7% or better on the long term properties and 10% or better on our flips, per year. Me being a Wall St. executive for 20 years, I am able to invest my clients money along side the fund in each LLC. I am also the person that heads the buying, rehab and selling of the properties as well as management when needed.

This is the next property I am doing a full renovation on turning this into a living tropical oasis. I am extending into the patio and splitting one unit to take it from 4 units to 5 units. Square footage under air is 4610 with 12 parking spots, private gates and pool. All new interior kitchens, bathrooms, doors, impact windows, floors, AC, plumbing and electric. Remodel entire grounds including driveway, landscaping, pool and patio. Construction should take 4 months, new tenants and sale of property should take less than 6-9 months total. All details from, architect, GC, comps, rent comps, permitting have all been evaluated and prepared to start the project. We close May 5.

You can invest minimum of 25k and max 100k, the return is 22.01% net back to you within 6-9 months. Give or take 3%.

Please read over the material, write down questions and lets speak tomorrow or Monday. We have plenty more back up material about the area but I'm sure you are familiar with Delray Beach.

Anthony J. Nicolosi
Director of Assets
Property Income Investors
954-800-0879-B
561-789-2316-M
www.propertyii.com

Book 4 6 17.pdf
3395K

In some instances, the agents advertised the ability for prospective investors to use their retirement funds for the investment.

The Receiver has seen information supporting the Commission’s allegations that a significant amount of investor funds were used to pay commissions to these sales agents. For example, Nicolosi’s company, CMP, received at least \$888,170 in payments from the Receivership Entities during the Relevant Period. The Receiver believes that most, if not all, of these payments were provided as compensation for the solicitation of investors to the Receivership Entities. Although Defendant Nicolosi has taken the position that at least a portion of his compensation was

purportedly attributable to other non-solicitation activities, the Receiver understands that other individuals affiliated with CMP (including those who used fictitious names with prospective investors) had no duties other than soliciting investors.

C. Nearly \$2 Million Was Paid To Company Insiders Including Brodman

A significant percentage of funds raised from investors were used to pay salaries and other benefits to company insiders – including Brodman. According to payroll records from ADP, Brodman received at least \$1,206,302 in Form 1099 compensation from 2014 to 2020 (excluding compensation paid during 2019, which was not included in the provided records). The Receiver has also seen evidence that Brodman made significant withdrawals from various bank accounts belonging to the Receivership Entities in the past year. The companies’ primary administrative employee, Cindy Lieberman, also received nearly \$500,000 in salary during the same period – including a salary of \$93,900 in 2019 and \$107,000 in 2020.

These distributions to Brodman are contrary to representations in the PPI PPM that “Mr. Brodman will not receive any compensation or management fee while overseeing the Company’s operations,” and several investors have also indicated that they were told this by Mr. Brodman or other sales agents. A subsequent section of the PPI PPM confirmed that “[o]ur officers will not receive a salary or management fees.” Rather, Mr. Brodman “would be allocated Class A Membership interests which would entitle him to 30% of the Company’s net income (or loss) from operations and 50% of the Company’s gains (losses) from the sale of any property.”

The Commission has alleged that approximately \$1.04 million was generated in **gross** rent payments during the Relevant Period, which would have entitled Brodman to at most approximately \$312,000 as his share of rental payments. This of course does not account for any other expenses incurred during the companies’ operations, which would serve to correspondingly reduce the amount owed to Brodman. As for the proceeds of property sales, the Commission has

alleged (and the Receiver has not seen any contrary information) that no property sale proceeds were distributed to investors during the Relevant Period. Accordingly, based on the representations to investors, Brodman would have been entitled at most to \$312,000 during the Relevant Period (and likely less, after expenses) – an amount that was vastly exceeded by the transfers that have been preliminarily attributed to Brodman.

D. Over \$50,000 Of Investor Funds Were Recently Lost When Brodman Forfeited A Real Estate Purchase Deposit

The Receiver discovered that, in January 2021 and February 2021, the PII 26 Account wired a total of \$55,000 to a law firm that Brodman had frequently used to handle real estate transactions on behalf of the Receivership Entities. Further investigation showed that these transfers were a deposit for the purchase of a single-family residential property containing a horse barn and stalls located in Parkland, Florida. It appears that Brodman intended for this property to be purchased by PII 26 using a loan that would be collateralized both by the property being purchased and the 3050 Property that had recently been purchased in August 2019 by PII 304. The 3050 Property had been purchased free-and-clear, and thus this cross-collateralization would have significantly encumbered the property and thus diminished the value of any PII 26 investments. In addition, the purchase of a single-family residential property (with a horse barn and stables) is inconsistent with the representations to investors that PII would use their funds to purchase residential multi-family properties for renovation, leasing, and resale.

The day before the transaction was scheduled to close, Brodman informed his realtor that he would not be able to close the transaction. As a result, the \$55,000 in investor funds that were being held as a deposit were forfeited to the seller and thus lost. There is no indication these losses were disclosed to investors.

E. Investor Funds Appear To Have Been Routinely Commingled And Used For Unauthorized Purposes, Including To Make Payments To Existing Investors

The Receiver has seen significant evidence that investor funds were routinely commingled between the Receivership Entities' bank accounts for no apparent legitimate or business purpose; rather, it appears that corporate formalities were frequently disregarded and that a Receivership Entity facing a shortfall in currently-available funds would regularly use funds from other Receivership Entities as needed. Although the Receiver has only recently been able to engage a forensic accountant pursuant to the Court's July 21, 2021 Order (Doc. 19), a preliminary review of the Receivership Entities' bank accounts shows a general and widespread pattern of using available funds from other bank accounts to satisfy current obligations. Indeed, there is little to suggest that the Receivership Entities observed any semblance of corporate formalities when operating the business.

This widespread commingling appears to have been present for at least several years, if not longer. For example, PII 26 purchased a property located at 417 N. E St., Lake Worth, FL in May 2018. After that sale had closed, several additional deposits totaling \$175,000 from what appear to be investors were deposited into PII 26's bank account (the "PII 26 Account") in June 2018.⁹ Prior to these deposits, the PII 26 Account had a beginning balance in June 2018 of \$1,958.50. During the following month, over \$150,000 was transferred from the PII 26 Account to PII's bank account (the "PII Account"). Prior to these deposits, the PII Account had a beginning balance in June 2018 of less than \$1,000. Following receipt of these transfers from the PII 26 Account, the PII Account made the following transfers:

- \$102,436.82 to an account belonging to Equinox Holdings;

⁹ Indeed, at least one wire transfer in the amount of \$50,000 specifically includes the address for the 417 Property in the wire details.

- \$12,272 to an account belonging to PII 9007;
- \$14,000 to an account belonging to PII 201;
- \$18,500 to an account belonging to PII 304; and
- \$6,000 to an account belonging to PII 3504.

The Receiver has also seen evidence that new investor funds were used to make payments to existing investors – including as recently as August 2020. During the summer of 2020, an existing investor was contacted by Mr. Brodman and solicited to invest in a new property that was being purchased. Based on these solicitations, the investor made a \$400,000 investment (of retirement funds) that were deposited into Equinox’s bank account ending in x7387 (the “Equinox Account”) on August 5, 2020.¹⁰ Prior to that \$400,000 deposit, the Equinox Account had a balance of \$2,756.65. On the day of the \$400,000 deposit, the Equinox Account made the following transfers:

- \$99,000 to an account belonging to PII;
- \$22,000 to an account belonging to PII 26;
- \$52,000 to an account belonging to PII 304;
- \$16,000 to an account belonging to PII 9007;
- \$13,000 to an account belonging to PII 4450; and
- \$27,500 to an account belonging to Property Income Investors Holdings, LLC.

At the time of these transfers, the Receiver understands that quarterly distributions to investors for the first quarter of 2020 were several months overdue and that the distribution for the second quarter of 2020 was currently due. Bank records show that the \$99,000 in transfers from the Equinox Account to the PII Account – which had a beginning balance on August 1, 2020, of

¹⁰ Based on the Receiver’s review of records, it appears this deposit was made the day after a credit card for the Receivership Entities was used for a \$3,000 charge to Mr. Brodman’s attorney.

\$177.76 – were used to fund approximately \$40,000 in overdue distributions to investors. In addition, the PII Account made over \$15,000 in payments towards an overdue company credit card and transferred an additional \$30,000 to other Receivership Entities. There is no evidence that any portion of the \$400,000 deposit was used to purchase any property. The Receiver is continuing to investigate these circumstances.

F. The Receivership Entities’ Real Estate Holdings

At the time of the Receiver’s appointment, it appears that the Receivership Entities owned seven multi-family residential properties in the South Florida area. The Receiver and her counsel immediately took steps to determine the status and condition of each of the Properties, including making contact with tenants and also ascertaining the existence of any mortgage liens, outstanding tax obligations, or other delinquencies that could threaten the property value. The Properties appear to be in good condition from these preliminary observations, and the Receiver and her counsel are not aware of any significant impairments or existing problems with the Properties. The Receiver and her counsel have also taken steps to verify that the Properties are covered by current property and casualty insurance. A brief summary of pertinent information for each property is set forth below:

1. **1361 SE 4th Street, Deerfield Beach, FL 33441** was acquired by PII 1361 on October 13, 2017 for a purchase price of \$635,000. The property has five units, and currently four units are occupied by tenants. A picture of the exterior is below:



2. **3775 NW 116th Terrace, Coral Springs, FL 33065** (the “3775 Property”) was acquired by PII 1361 on October 13, 2017 for a purchase price of \$635,000. The property has five units, and currently four units are occupied by tenants. A picture of the exterior is below:



3. **4020 NW 81st Ave (Riverside), Coral Springs, FL 33065** (the “4020 Property”) was acquired by PII 4020 on December 16, 2017 for a purchase price of \$468,000. The property

has four units, and all four units are currently occupied by tenants. A picture of the exterior is below:



4. **4450 Coral Springs Drive, Coral Springs, FL 33065** was acquired by PII 4450 on December 7, 2018 for a purchase price of \$405,000. The property has two units, and both units are currently occupied by tenants. A picture of the exterior is below:



5. **3050 Coral Springs Drive, Coral Springs, FL 33065** was acquired by PII 304 on August 29, 2019 for a purchase price of \$1,250,000. The property has eight units, and all eight units are currently occupied by tenants. A picture of the exterior is below:



6. **201 E. 30th St., Riviera Beach, FL 33404** was acquired by PII 201 on February 1, 2017 for a purchase price of \$265,000. The property has three units, and all three units are currently occupied by tenants. A picture of the exterior is below:



7. **530 NE 34th St., Pompano Beach, FL 33064** was acquired by PII on August 31, 2018 for a purchase price of \$345,000. The property has two units, and both units are currently occupied by tenants. A picture of the exterior is below:



G. The Properties Have Nearly \$1 Million In Current And Delinquent Mortgage And Tax Obligations

The Receiver's initial investigation showed that two of the Properties – 3775 NW 116th Terrace and 4020 Riverside Drive – are encumbered by mortgages totaling approximately \$800,000. It appears that these were not the only mortgages taken out by the Receivership Entities during the Relevant Period. In addition, several of the Properties were delinquent in paying their 2020 property tax obligations which resulted in the sale of tax certificates collectively totaling approximately \$70,000 as liens against the Properties, with interest continuing to accrue.

a. The Mortgage Obligations

At the time of her appointment, the Receiver discovered that the 3775 Property had an outstanding mortgage that was taken out in October 2019 in the amount of \$400,000. The 3775 Property was originally purchased in October 2017, and it appears that this was the third mortgage that had been taken out on the 3775 Property. The 4020 Property was also encumbered by a

mortgage that was taken out in January 2020 in the original amount of \$374,000 (the “\$374,000 Mortgage”). The 4020 Property had been purchased in December 2017. The Receiver and her counsel have provided the respective servicers and lenders for the current mortgages with a copy of the Order Appointing Receiver and are engaged in discussions about obtaining relevant documentation and information and preventing any efforts to accelerate or otherwise foreclose on the Properties.

The Receivership Entities appear to have used mortgage financing not only to partially fund the purchase of real estate but also to cover other obligations. For example, PII 4450 obtained a mortgage in the amount of \$250,000 at the time that the 4450 Property was purchased in December 2018 (the “\$250,000 Mortgage”). The terms of the \$250,000 Mortgage provided that the balance would be due and payable in one year – December 2019. On January 16, 2020, PII 4020 obtained the \$374,000 Mortgage, and the following transactions took place in the Receivership Entities’ bank accounts:

- **January 21, 2020:** Mortgage proceeds of \$334,160.88 from the \$374,000 Mortgage were deposited into PII 4020’s bank account. The balance in PII 4020’s bank account prior to the deposit was less than \$2,000.
- **January 24, 2020:** The amount of \$254,000 was transferred from PII 4020’s bank account to a bank account owned by Property Income Investors Holdings, Inc. with an account number ending in x1205 (the “PIIH Account”). The balance in the PIIH Account prior to the deposit was less than \$2,000.
- **January 24, 2020:** The amount of \$253,000 was transferred from the PIIH Account to a bank account owned by PII 4450 with an account number ending in x7396 (the “PII 4450 Account”). The balance in the PII 4450 Account prior to the deposit was less than \$2,000.
- **January 24, 2020:** The amount of \$252,146.67 was wired from the PII 4450 Account to satisfy the \$250,000 Mortgage.

In short, these transactions show that proceeds from a mortgage obtained on one property – the 4020 Property – were then used to satisfy an existing mortgage on a different property – the

PII 4450. These transactions thus benefitted investors in the 4450 Property by removing a significant mortgage lien on that property, and simultaneously disadvantaged those investors in the 4020 Property which transformed a free-and-clear asset into a significantly-encumbered asset and further dissipated the proceeds that could be used to satisfy that encumbrance. There is no indication that any of these transactions were disclosed to investors or had any legitimate business purpose.

b. Outstanding Tax Obligations

The Receiver's investigation also showed that a number of the Receivership Entities failed to pay property income taxes owing in 2020. As a result, the collecting county sold "tax certificates" in order to recoup the delinquent amounts. A "tax certificate" is an interest-bearing first lien representing unpaid delinquent real estate property taxes which are sold through a public auction to the buyer offering the lowest rate of interest. If the tax certificate remains outstanding and unpaid for two years, the owner of the certificate may apply for a tax deed and ultimately seek to foreclose and even acquire the property.

The Receiver discovered the existence of tax deeds for five of the Properties collectively representing over \$70,000 in delinquent and owing property taxes¹¹, as set forth below:

- PII 3504 (3050 Coral Springs Drive): \$29,240.93 owing for 2020 property taxes;
- PII (530 NE 34th St): \$7,898.04 owing for 2020 property taxes;
- PII 1361 (1361 SE 4th St): \$11,861.18 owing for 2020 property taxes;
- PII 4450 (4450 Coral Springs Dr): \$10,352.76 owing for 2020 property taxes; and
- PII 201 (201 E. 30th St): \$13,051.66 owing for 2020 property taxes.

Of note, tax certificates were not sold for the two remaining properties because each of those properties had an existing mortgage and the mortgage holder advanced the funds needed to pay

¹¹ It appears that one of the Receivership Entities, PII 26, reflects outstanding tax charges from 2003 and 2004. As this is well before the relevant period and PII 26 does not currently own any properties, the Receiver is not including those amounts for these purposes.

the overdue property taxes. As a result, those amounts advanced to satisfy the property tax obligations for those two properties were added to the existing mortgage balance. As the certificates will continue to accrue interest over time and the certificate holder has the right to seek issuance of a tax deed if the certificate remains outstanding, the Receiver intends to satisfy the certificates in the coming months. The Receiver is in the process of working with her forensic accountant to understand the flow of funds between the various entities in order to determine which funds should be used to satisfy the outstanding certificates.

IV. ACTIONS TAKEN BY RECEIVER DURING REPORTING PERIOD

During the period covered by this Interim Report, the Receiver took a number of steps to fulfill her duties under the Order Appointing Receiver.

A. Taking Possession Of Receivership Property

1. Physical Premises, Books and Records, Electronic Documents, Discussions With Relevant Parties, And Service Of Order Appointing Receiver

Following the Receiver's appointment on June 15, 2021, the Receiver and her counsel immediately began outreach efforts to the individual Defendants and other relevant individuals that provided services to the Receivership Entities. The Receiver learned that the Receivership Entities had operated out of an office located at 7301 Wiles Road, Unit 108, Coral Springs, Florida 33067, but that the office had been vacated in mid-May 2021 and the contents moved to a storage unit located in Coral Springs, Florida. The Receiver's counsel made contact with Defendant Brodman directly, spoke with counsel for Defendant Nicolosi, and also spoke with Cindy Lieberman – a now-former employee that had been overseeing the company and the Properties in recent months.

The Receiver's counsel traveled to Coral Springs, Florida to visit and inventory the storage unit and also to interview Ms. Lieberman, who provided access to the storage unit. The storage

unit contained various pieces of office furniture, several computers and televisions and assorted investor documentation and books and records. The Receiver's counsel obtained the keys to the storage unit and took possession of certain relevant files for preservation and imaging, including files identified as investor files for both PII and Equinox. An inventory was prepared for all of the physical property at the premises and the office's contents (absent the physical files now in the Receiver's custody) remain in the storage unit. The Receiver envisions attempting to sell or otherwise dispose of the non-documentary contents of the storage unit to avoid continually incurring the continuing storage costs.

The Receiver's counsel conducted an interview with Ms. Lieberman concerning her job duties, the Properties, and other aspects of her time working with the Receivership Entities. In addition, the Receiver also obtained a desktop computer and laptop from Ms. Lieberman that belonged to the Receivership Entities.

The Receiver requested Court approval to retain various vendors to assist her with viewing and imaging the contents of the computer equipment, scanning the physical documents located in the storage unit and provided by other sources, reviewing and analyzing the Receivership Entities' bank and accounting records, and helping her meet any tax obligations. That motion was granted on July 21, 2021 (Doc. 19), and the Receiver has since taken steps to engage the approved vendors. In the interim, the Receiver and her counsel have engaged in a limited and targeted review of documents located in the storage unit, from other third parties, from financial institutions and other third parties, and information available in the public record.

B. Securing Receivership Assets

1. Bank Accounts

Upon her appointment, the Receiver and her counsel moved expeditiously in reviewing documents and information for the purpose of identifying institutions that potentially held relevant

financial accounts or other holdings. The Receiver immediately forwarded copies of the asset freeze orders to the pertinent institutions and worked to confirm that those institutions understood their obligations under the freeze orders. Based on discussions with the Commission and review of pertinent documents, the Receiver understood that the Receivership Entities' primary banking relationship was with JP Morgan Chase Bank, N.A. ("Chase Bank"). The Receiver successfully froze a total of approximately \$14,000 being held in 11 different accounts maintained by the Receivership Entities at Chase Bank and is working with Chase Bank to transfer those funds to her fiduciary accounts at ServisFirst Bank.

2. Escrowed Proceeds From Recent Real Estate Sales

The Receiver and her counsel also discovered that proceeds from two recent sales of properties formerly owned by the Receivership Entities were being held in escrow by a Boca Raton law firm. The Receiver's counsel engaged in discussions with that law firm, provided a copy of the Order Appointing Receiver, and directed the law firm to transfer the escrowed funds to a trust account held at the Receiver's law firm until the Receiver was able to open the fiduciary accounts contemplated by the Order Appointing Receiver. On June 22, 2021, the sum of \$1,125,513.37 was wired to the Receiver's trust account, and on July 14, 2021, that amount was transferred to the Receiver's fiduciary accounts established at ServisFirst Bank.

3. Multifamily Residential Properties Owned By The Receivership Entities And Retention Of Property Management Company

At the time of the Receiver's appointment, the Receivership Entities owned seven multifamily residential properties in the South Florida area. Further details on each of these properties are contained in Section V.F, *supra*. The Receiver's counsel visited each of these properties on June 28, 2021 and hand-delivered correspondence notifying the tenants of the Receiver's appointment and directing the continued payment of rent to the Receiver pending

retention of a property management company. The Receiver's counsel was able to speak directly with many of the tenants and provide additional information about the Receiver's appointment and duties.

The Properties appeared to be in good condition, although the Receiver was advised of various pending and overdue repair issues and utility bills. The Receiver and her counsel worked to address these pending issues as necessary and also interviewed several potential property management companies that would be able to efficiently and properly manage the Properties. The Receiver ultimately selected Keyes Property Management ("Keyes") and filed her Expedited Motion to Retain Property Management Professionals on June 28, 2021 (Doc. 14). The Court granted that Motion on July 1, 2021 (Doc. 15), and Keyes immediately began working to provide and implement its property management services. The Receiver has provided all of the tenants with correspondence notifying them of Keyes' retention and has been pleased with Keyes' diligence and service thus far.

In addition to managing the properties and facilitating the payment of utilities and handling any necessary repairs, Keyes will also be working to assist the Receiver with understanding the current rental rates being paid by the tenants and favorably positioning the Properties for a future sale. The Receiver understands that the vast majority of current tenants are on a month-to-month lease term as a result of the expiration of their previous leases, and thus it is likely that the current rents are below market rate. With Keyes' assistance, the Receiver will be evaluating whether it is necessary or beneficial to raise rents to be commensurate with market rates and also to have tenants execute annual lease contracts. Among the considerations the Receiver will take into account will be positioning the Properties for the most advantageous sale terms.

The Receiver believes it is prudent to begin the process of marketing and listing the Properties for sale, and she has begun to interview prospective real estate brokers to assist her with this process. Pursuant to Paragraph 32 of the Order Appointing Receiver, the Receiver is authorized to engage a broker to assist her with the sale of the property “on terms and in the manner the Receiver deems most beneficial to the Receivership Estate...” Doc. 10. The Receiver will work with the real estate broker she selects to determine the most cost-effective and beneficial method of liquidating the Properties, which remains subject to Court approval. Any inquiries regarding interest in purchasing one or more of the Properties should be directed to the Receiver at piireceiver@bipc.com.

C. Pending Lawsuits

The Receiver discovered that, on June 21, 2021, several investors filed a lawsuit against the Receivership Entities in Broward County Circuit Court styled *Richard Bentley et al. v. Larry Brodman, et al.*, Case No CACE-21-012218. The Receiver’s counsel contacted counsel for the plaintiff investors to advise them of the litigation stay provisions of the Order Appointing Receiver, and the plaintiffs’ counsel agreed to (i) indefinitely stay the response deadline for any Receivership Entities, and (ii) file a motion seeking a stay of that action based on the Order Appointing Receiver.

D. Outreach With Investors and Third Parties

Shortly after her appointment, the Receiver was able to use the investor records secured from the Coral Springs storage unit to prepare a preliminary list of all known investors in both Equinox and the PII entities. Using that list, the Receiver prepared correspondence to all known investors informing them of her appointment and inviting them to direct any inquiries or questions to an email account established by the Receiver (piireceiver@bipc.com). The Receiver’s counsel and staff have subsequently engaged in discussions with dozens of investors who responded to that correspondence and have updated the Receiver’s records accordingly where necessary.

The Receiver has now received Court approval to retain a website vendor to establish an informational website at www.propertyreceivership.com that she will use to provide information and updates concerning the Receivership. The website is expected to be operational in the coming weeks and will include Court filings, an FAQ section, a registration link, and information on a claims process and assets for sale. Once the website is operational, investors are encouraged to provide their information and use the website as a primary source of information, although they are welcome to contact the Receiver or her counsel with any questions. The Receiver also encourages individuals or attorneys representing investors who may have information that may be helpful in securing further assets for the Receivership estate or identifying other potential parties who may have liability to either the Receivership estate or investors to contact Soraya Hamilton by email at Soraya.hamilton@bipc.com or by phone at (305) 347-4058.

V. THE NEXT QUARTER

A. Investigation

Based on the Receiver's preliminary investigation, it appears that the Properties (together with the \$1.15 million in sales proceeds recovered) represent the largest (and likely sole) assets of material value that are attributable to investor funds. The Receiver intends to confirm this understanding through her continuing investigation of the Receivership Entities with the assistance of a forensic accountant, including by analyzing company documents and financial records. The Receiver and her counsel will continue to interview third parties and gather and review relevant documents from the Receivership Entities and third parties. The Receiver has obtained documents from a number of third parties and has also started issuing subpoenas for the production of documents. It will be necessary to obtain and review all such documents in order to complete an understanding of the operation of the various Receivership Entities, the flow of funds through and for the benefit of those Receivership Entities, to identify any additional sources of recovery, and

to prepare an accounting. The Receiver is working diligently on this task, but without knowing the volume of documents she expects to receive, it is difficult to estimate the time needed for completion.

Another priority for the Receiver is to continue compiling and analyzing individual investor accounts both with Equinox and the PII entities. This is a necessary task to assess and administer investor claims. The Receiver has located a significant amount of investor files and expects to identify more relevant documentation on the computer equipment that is being imaged and preserved by her information technology professionals. In the course of reviewing, analyzing, and compiling this information, the Receiver may also request that certain investors provide copies of relevant documentation evidencing their relationship with the Receivership Entities. Once that analysis is complete, the Receiver anticipates seeking Court approval for the parameters and framework for a claims process that will subsequently allow the Receiver to begin making Court-approved distributions to investors holding approved claims. It remains uncertain as to when the Receiver will seek Court approval for a claims process, but the Receiver recognizes the importance of the return of funds to investors as expeditiously and efficiently as possible and will provide a more definitive time estimate as her analysis progresses.

The Receiver will continue to attempt to locate additional funds and other assets and may institute proceedings to recover assets on behalf of the Receivership Entities. In an effort to more fully understand the conduct at issue and in an attempt to locate more assets, the Receiver will continue to conduct interviews and/or depositions of parties and third parties who may have knowledge of the fraudulent scheme.

B. Maintaining and Liquidating Assets

The Receiver has retained Keyes to assist with maintaining the Properties by providing property management services. The Receiver is in the process of interviewing and selecting a real

estate broker to assist her with marketing and listing the Properties for sale and thus convert those assets to cash for the benefit of investors and on the most favorable terms. The Receiver will also continue her investigation to determine whether there exist any other potential assets attributable to investor funds that she may seek to recover.

C. Formulation and Submission Of Claims Process For Court Approval

The Receiver has prioritized the process of returning investor funds as soon as possible through a Court-approved claims process. As referenced above, the Receiver and her professionals intend to complete an initial analysis of individual investor accounts both with Equinox and PII. Once those analyses are completed, the Receiver will then work on formulating a claims process that will provide the most equitable determination of investor claims and distribution of Receivership assets. The Receiver will then submit that proposed claims framework for Court approval. Although it remains very early in the Receiver's appointment, the Receiver currently anticipates filing the motion for approval of the proposed claims framework with the Court **by the end of this calendar year.**

D. Third Party Claims

The Receiver has started to analyze the existence and viability of potential claims against third parties that may have received payments or transfers to which they were not entitled to receive or persons or entities that provided services to or otherwise improperly benefitted from their affiliation with the Receivership Entities. It is too early to estimate whether or not the Receiver will bring any such claims or whether any claims will result in any recovery to the Receivership Estate. In proceeding with these determinations, the Receiver intends to consider a number of factors including the cost-benefit analysis of any potential claim. Thus, the Receiver is not yet able to predict the likelihood, amount or effectiveness of any particular claim or the claims as a whole. The Receiver may, however, plan to first offer those who are required to return money to the

Receivership Estate the opportunity to do so cooperatively in an effort to avoid costly litigation for all involved. The Receiver intends to seek Court approval before instituting any such third-party actions.

Respectfully submitted,

BUCHANAN INGERSOLL & ROONEY PC

/s/ Raquel A. Rodriguez

Raquel A. Rodriguez, FBN 511439
One Biscayne Tower
2 S. Biscayne Blvd, Suite 1500
Miami, FL 33131-1822
T: 305-347-4080
F: 305-347-4089
raquel.rodriguez@bipc.com

and

BUCHANAN INGERSOLL & ROONEY PC

By: /s/ Jordan D. Maglich

Jordan D. Maglich, Esq. (FBN 0086106)
401 E. Jackson St., Suite 2400
Tampa, FL 33602
T: 813-222-1141
F: 813-222-8189
jordan.maglich@bipc.com

Attorneys for Receiver

Miranda L. Soto

CERTIFICATE OF SERVICE

I hereby certify that on July 30, 2021, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Alice Sum, Esq.
Securities and Exchange Commission
801 Brickell Avenue, Suite 1950
Miami, Florida 33131
Counsel for Plaintiff, Securities and Exchange Commission
Mark C. Perry, Esq.
2400 East Commercial Blvd., Ste 201
Fort Lauderdale, Florida 33308
Counsel for Defendant, Anthony Nicolosi, fka Anthony Peluso

I further certify that on July 30, 2021, a true and correct copy of the foregoing was sent via electronic mail to the following:

Carl F. Schoeppl, Esq.
Schoeppl Law, P.A.
4651 North Federal Highway Boca
Raton, Florida 33431-5133 Telephone:
(561) 394-8301
Facsimile: (561) 394-3121
E-mail: carl@schoeppllaw.com
Counsel for Defendant Larry Brodman

/s/ Jordan D. Maglich
Attorney

EXHIBIT “3”

CERTIFICATION

I, **MIRANDA L. SOTO** (the "Applicant"), declare under penalty of perjury that the following is true and correct:

1. The Applicant is a Shareholder in the law firm of Buchanan Ingersoll & Rooney PC ("Buchanan Ingersoll") and the Receiver in this action. This Certification is based on the Applicant's first-hand knowledge of and review of the books, records and documents prepared and maintained by Buchanan Ingersoll in the ordinary course of its business. The Applicant knows that the facts contained in this motion regarding work performed by the Receiver and her staff and the facts contained in this Certification are true, and the Applicant is authorized by Buchanan Ingersoll to make this Certification. Having reviewed the time records and data which support the motion, the Applicant further certifies that said motion is well grounded in fact and justified.

2. The billing records of Buchanan Ingersoll which are attached to this Application are true and correct copies of the records maintained by Buchanan Ingersoll. These records were made at or near the time the acts, events, conditions or opinions described in such records occurred or were made. The Applicant knows that the records were made by persons with knowledge of the transactions or occurrences described in such records or that the information contained in the records was transmitted by a person with knowledge of the transactions or occurrences described in the records. The records were kept in the ordinary course of the regularly conducted business activity of Buchanan Ingersoll and it is the regular business practice of Buchanan Ingersoll to prepare these records.

3. To the best of the Applicant's knowledge, information and belief formed after reasonable inquiry, this motion and all fees and expenses herein are true and accurate and comply with the Billing Instructions for Receivers in Civil Actions Commenced by the SEC.

4. All fees contained in this Application are based on the rates listed in the fee schedule attached hereto and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed.

5. The Applicant has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay (except to the extent that any such amortization is included within the permitted allowable amounts set forth herein for photocopies and facsimile transmission).

6. In seeking reimbursement for a service which Buchanan Ingersoll justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for a service which the Applicant justifiably purchased or contracted for from a third party, the Applicant requests reimbursement only for the amount billed to the Applicant by the third-party vendor and paid by the Applicant to such vendor. If such services are performed by the Applicant, the Applicant will certify that he is not making a profit on such reimbursable service.

Executed this 16th day of August, 2021.

/s/ Miranda L. Soto

MIRANDA L. SOTO
Receiver

EXHIBIT “4”

Name	Spedalty	Hours	Fees	Expenses	Credit	Total
Receiver	Receiver	24.50	\$ 7,227.50	\$ 2,051.25		\$ 9,278.75
Buchanan Ingersoll	Attorneys	122.90	\$ 36,255.50	\$ -		\$ 36,255.50
Total		147.4	\$ 43,483.00	\$ 2,051.25	\$ -	\$ 45,534.25

EXHIBIT “5a”

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Expenses	Billable Amount
Miranda L. Soto	Litigation	Shareholder	2003	\$ 650.00	\$ 295.00	24.50		\$ 7,227.50
							\$ 2,051.25	\$ 2,051.25
Total						24.50		\$ 9,278.75

EXHIBIT “5b”

Name	Practice Area	Title	Year Licensed	Standard Rate	Reduced Rate	Total Hours	Expenses	Billable Amount
Raquel A. Rodriguez	Litigation	Shareholder	1985	\$ 930.00	\$ 295.00	46.10		\$ 13,599.50
Jordan D. Maglich	Litigation	Counsel	2010	\$ 450.00	\$ 295.00	76.80		\$ 22,656.00
								\$ -
Total						122.90		\$ 36,255.50

EXHIBIT “6a”



One Biscayne Tower
Two South Biscayne Blvd., Suite 1500
Miami, FL 33131-1822

T 305 347 4080
F 305 347 4089
www.bipc.com

ANDREW O. SCHIFF, REGIONAL TRIAL COUNSEL
ALICE K. SUM, TRIAL COUNSEL
SECURITIES AND EXCHANGE COMMISSION
MIAMI REGIONAL OFFICE
801 BRICKELL AVENUE, SUITE 1950
SCHIFFA@SEC.GOV; SUMAL@SEC.GOV

July 14, 2021
Invoice No. 12101120

INVOICE SUMMARY

For Professional Services Rendered:

RE: SEC RECEIVERSHIP
Our Reference: 0104027-000001

Fees:	\$7,227.50
Disbursements:	<u>\$2,051.25</u>

Total Current Invoice:	\$9,278.75
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ANDREW O. SCHIFF, REGIONAL TRIAL COUNSEL
ALICE K. SUM, TRIAL COUNSEL
SECURITIES AND EXCHANGE COMMISSION
MIAMI REGIONAL OFFICE
801 BRICKELL AVENUE, SUITE 1950
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July 14, 2021
Invoice No. 12101120

For Professional Services Rendered:

RE: SEC RECEIVERSHIP
Our Reference: 0104027-000001

SERVICES AND COSTS INCLUDING

Timekeeper	Date	Task	Narrative	Hours	Amount
<u>Petitions, Schedules, Statement of Affairs</u>					
M. L. Soto	06/17/21	B115	Review Order Instituting Administrative Proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions.	0.10	29.50
Subtotal Petitions, Schedules, Statement of Affairs				0.10	29.50

Case Administration

Soto M. L.	6/15/2021	B110	Review Complaint for Injunctive and Other Relief.	0.50	147.50
Soto M. L.	6/15/2021	B110	Various emails to and from J. Maglich and R.Rodriguez in preparation and anticipation with conference call with the SEC on June 16, 2021.	0.40	118.00
Soto M. L.	6/15/2021	B110	Review Order Appointing Receiver.	0.50	147.50
Soto M. L.	6/15/2021	B110	Conference call with J. Maglich re: immediate tasks, checklists and issues to be addressed with setting up Receivership.	1.30	383.50
Soto M. L.	6/15/2021	B110	Conference call with R. Rodriguez to discuss appointment of Counsel to Receiver.	0.50	147.50
Soto M. L.	6/15/2021	B110	Conference call with A. Sum to discuss appointment of Receiver and Receiver's Counsel.	0.40	118.00

MIRANDA L. SOTO, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/16/2021	B110	Various emails to and from R. Rodriguez and J. Maglich re: Notices of Appearance, letters to Defendants' counsel, and pre-work in preparation and anticipation of setting up Receivership.	1.00	295.00
Soto M. L.	6/16/2021	B110	Prepare Access Request Form letter and submit to the SEC.	0.20	59.00
Soto M. L.	6/16/2021	B110	Attend WebEx meeting with SEC, J. Maglich, and R. Rodriguez to discuss next steps for Receivership.	0.50	147.50
Soto M. L.	6/16/2021	B110	Conference call with R. Rodriguez and J. Maglich in preparation and anticipation of conference call with SEC.	0.50	147.50
Soto M. L.	6/17/2021	B110	Review follow up email from J. Maglich to L. Brodman re: Order and conference call to discuss businesses and properties.	0.10	29.50
Soto M. L.	6/17/2021	B110	Review emails to and from M. Perry and R. Rodriguez re: service of process and obtaining documents from Mr. Nicolosi.	0.10	29.50
Soto M. L.	6/17/2021	B110	Review email to L. Brodman re: Order Appointing the Receiver Letter and Appointment Order.	0.10	29.50
Soto M. L.	6/17/2021	B110	Review emails to and from C. Schoeppel and M. Perry re: Appointment of Receiver letter and Order.	0.10	29.50
Soto M. L.	6/17/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: process server, opening bank account, properties located in Palm Beach and Broward County, prospective vendors, property management companies, and pending tasks.	1.00	295.00
Soto M. L.	6/18/2021	B110	Review email and corresponding documents to Herman Reiter at Roy-Roth Agency (insurance broker for Receivership Entities) re: proof of insurance, policies, and coverage.	0.10	29.50
Soto M. L.	6/18/2021	B110	Review emails to and from A. Coleman and R. Rodriguez re: transfer of registered agent and obtaining company books.	0.20	59.00

MIRANDA L. SOTO, RECEIVER
RE: SEC RECEIVERSHIP
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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/18/2021	B110	Review emails to and from L. Brodman's counsel (Kyle DeValerio) and L. Brodman re: cooperation and rule to show cause for non-cooperation.	0.10	29.50
Soto M. L.	6/18/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: property management companies, insurance brokers, property appraisals, residential agent, lending companies to assist with funding the Receivership, liens on properties, title searches, registered agent, escrowed funds, conference call with L. Brodman and C. Lieberman, letter to A. Coleman, updated task list for call with SEC, and taxes on properties.	0.50	147.50
Soto M. L.	6/18/2021	B110	Zoom meeting with J. Maglich and R. Rodriguez re: identifying properties, taxes, property management issues, liens, motions, escrowed funds, title searches, vendors, EIN, banks, lenders, website, and L. Brodman.	0.90	265.50
Soto M. L.	6/19/2021	B110	Review ServisFirst proposal for possible banking services.	0.10	29.50
Soto M. L.	6/19/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: storage and property inspection, conference call with L. Brodman and C. Lieberman, A. Coleman and refusal to provide work-product, ServisFirst proposal, retainage lien asserted by A. Coleman, and Chase account.	0.40	118.00
Soto M. L.	6/20/2021	B110	Review email to L. Brodman from J. Maglich providing and explaining Order with additional instructions on Google password.	0.10	29.50
Soto M. L.	6/20/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: Wells Fargo bank, updated pending tasks, site inspection of the properties, conference calls with C. Lieberman and L. Brodman, and possible judicial intervention for bank issues.	0.40	118.00

MIRANDA L. SOTO, RECEIVER
RE: SEC RECEIVERSHIP
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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/21/2021	B110	Review letter from M. Perry re: Nicolosi's file and dropbox link to file.	0.10	29.50
Soto M. L.	6/21/2021	B110	Review emails to and from Iberia Bank re: opening of bank accounts.	0.10	29.50
Soto M. L.	6/21/2021	B110	Review email from R. Rodriguez to Roy Roth re: existence of insurance coverage on properties.	0.10	29.50
Soto M. L.	6/21/2021	B110	Review email from R. Rodriguez to R. Crusie re: proposal for property management.	0.10	29.50
Soto M. L.	6/21/2021	B110	Review email from R. Rodriguez to A. Wieck at Lexshare re: possible funding option for Receivership.	0.10	29.50
Soto M. L.	6/21/2021	B110	Emails to and from A. Sum re: conference call to status report of recent progress.	0.10	29.50
Soto M. L.	6/21/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: conference call with L. Brodman and Jerron Kelley, site inspection, banks, setting up bank account, trust account, meeting with C. Lieberman, Cruise Property Management company, and EIN.	0.50	147.50
Soto M. L.	6/22/2021	B110	Review Cruise Property Management proposal.	0.30	88.50
Soto M. L.	6/22/2021	B110	Review email and corresponding letter to Fay Servicing.	0.10	29.50
Soto M. L.	6/22/2021	B110	Review email from A. Wieck from Lexshares re: underwriting.	0.10	29.50
Soto M. L.	6/22/2021	B110	Conference call with A. Sum to discuss status of asset collection and update on receivership set up.	0.50	147.50
Soto M. L.	6/22/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: updated pending tasks for Receivership, property inspection, banks, wire transfer of escrowed funds, property list, site inspection of storage, inventory of storage facility, imaging of computers, scanning documents/records, ADP and Fay letters.	0.80	236.00
Soto M. L.	6/23/2021	B110	Emails to and from ServisFirst re: open Receivership bank account.	0.20	59.00

MIRANDA L. SOTO, RECEIVER
RE: SEC RECEIVERSHIP
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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/23/2021	B110	Zoom meeting with J. Maglich and R. Rodriguez re: JP Morgan bank, property management, website, FAQ, communications with investors and tenants and document collection.	0.70	206.50
Soto M. L.	6/23/2021	B110	Emails to and from R. Rodriguez and J. Maglich re: recent developments, call from JP Morgan (Victor Gonzalez),	0.20	59.00
Soto M. L.	6/23/2021	B110	Conference call with D. Staubitz re: obtaining SEC file and status of progress.	0.30	88.50
Soto M. L.	6/24/2021	B110	Review and revise proposed preliminary letter to investors.	0.30	88.50
Soto M. L.	6/24/2021	B110	Review emails to and from B. Gene at Keyes Property Management re: property management proposal.	0.30	88.50
Soto M. L.	6/24/2021	B110	Emails to and from D. Kaufman re: proposal for accounting services.	0.10	29.50
Soto M. L.	6/24/2021	B110	Attend zoom meeting with ServisFirst Bank to set up receivership bank account.	0.20	59.00
Soto M. L.	6/24/2021	B110	Review emails from M. Owens re: tax returns and violation notice.	0.20	59.00
Soto M. L.	6/24/2021	B110	Brief conference call with J. Maglich re: opening of bank accounts.	0.20	59.00
Soto M. L.	6/24/2021	B110	Emails to and from ServisFirst re: follow up on opening Receivership bank account.	0.20	59.00
Soto M. L.	6/24/2021	B110	Review emails to and from A. Coleman re: retention lien on work-product.	0.10	29.50
Soto M. L.	6/24/2021	B110	Conference call with R. Rodriguez and J. Maglich re: frozen bank accounts, L. Brodman, and property management issues.	0.40	118.00
Soto M. L.	6/24/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: JP Morgan account, property management, violation notices, CPA proposals, freeze on L. Brodman's personal bank accounts, A. Coleman, property management companies, rent roll, and possible Rule to Show Cause.	0.70	206.50

MIRANDA L. SOTO, RECEIVER
RE: SEC RECEIVERSHIP
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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/25/2021	B110	Review annotated version of KPM service agreement in preparation and anticipation of conference call with J. Maglich and R. Rodriguez.	0.30	88.50
Soto M. L.	6/25/2021	B110	Review Scottsdale insurance policy (provided by KPM) in preparation and anticipation of conference call with J. Maglich and R. Rodriguez.	0.40	118.00
Soto M. L.	6/25/2021	B110	Review initial draft of Motion to Retain Property Management Company in preparation and anticipation of conference call with J. Maglich and R. Rodriguez.	0.20	59.00
Soto M. L.	6/25/2021	B110	Attend zoom meeting with J. Maglich and R. Rodriguez to discuss insurance issues, check deposits, access to company computers and hard drives, imaging of hard drives, scanning of company documents, D. Kaufman, FPL issues, subpoenas, website, notice to tenants, notice to investors, A. Coleman, and property management contract.	1.20	354.00
Soto M. L.	6/25/2021	B110	Review emails to and from opposing counsel re: objection to retaining property management company.	0.10	29.50
Soto M. L.	6/25/2021	B110	Emails to and from B. Gene re: property management proposal.	0.10	29.50
Soto M. L.	6/25/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: property management company, D. Kaufman, EIN for bank account, motion to retain property management company, and servicing agreement for property management company.	0.50	147.50
Soto M. L.	6/26/2021	B110	Review emails to and from B. Gene and R. Rodriguez re: revisions to servicing agreement.	0.10	29.50
Soto M. L.	6/26/2021	B110	Review emails to and from J. Maglich and A. Coleman re: work product documents and tax returns.	0.20	59.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/26/2021	B110	Emails to and from R. Rodriguez and J. Maglich re: letter to tenants, subpoenas, strategy for preservation of assets, possession of computers and document in storage facility, and contact information for tenants.	0.80	236.00
Soto M. L.	6/27/2021	B110	Review emails to and from R. Rodriguez and J. Maglich re: tenant letters, subpoenas schedules for Brodman, Nicolosi, Capital Market Partners, and JP Morgan.	0.20	59.00
Soto M. L.	6/27/2021	B110	Review email from R. Rodriguez to B. Gene re: revisions to property management servicing contract.	0.10	29.50
Soto M. L.	6/28/2021	B110	Review email with Proposed Order submitted in support of the Receiver's Expedited Unopposed Motion for Authorization to Retain Keyes Property Management to Judge Singhal.	0.10	29.50
Soto M. L.	6/28/2021	B110	Review email to C. Schoepl re: motion requesting authorization to retain Keyes Property Management.	0.10	29.50
Soto M. L.	6/28/2021	B110	Emails to and from process server re: rates for subpoenas.	0.10	29.50
Soto M. L.	6/28/2021	B110	Review emails to and from C. Lieberman re: passwords for computers.	0.10	29.50
Soto M. L.	6/28/2021	B110	Brief conference call with J. Maglich re: service of letters to tenants and subpoenas.	0.20	59.00
Soto M. L.	6/28/2021	B110	Emails to and from B. Gene and R. Rodriguez re: ad-hoc maintenance service agreement.	0.10	29.50
Soto M. L.	6/28/2021	B110	Brief conference call with R. Rodriguez to discuss hold harmless, limitation of liability, and indemnification language in property management servicing agreement.	0.20	59.00

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Timekeeper	Date	Task	Narrative	Hours	Amount
Soto M. L.	6/28/2021	B110	Emails to and from R. Rodriguez and J. Maglich re: hold harmless and limitation of liability provisions in property management servicing agreement, status report on J. Maglich's site inspection and document retrieval, call with tenants, and SEC approval for property management agreement.	0.90	265.50
Soto M. L.	6/29/2021	B110	Review email from J. Maglich to water department to resolve water payment issues.	0.10	29.50
Soto M. L.	6/29/2021	B110	Emails to and from J. Maglich and R. Rodriguez re: corporate credit to pay expenses, tenant call log, tenant call, bank entries for Equinox entities, plumbing bill, property management on boarding issues, status of scanned documents retrieved from storage, stay in state court lawsuit, call with L. Brodman, leasing documents, bank accounts, and water department issues.	0.90	265.50
Soto M. L.	6/30/2021	B110	Review emails to and from B. Gene and J. Maglich re: status of lease scans.	0.10	29.50
Soto M. L.	6/30/2021	B110	Emails to and from R. Rodriguez and J. Maglich re: update and summary of recent developments and lease scans.	0.30	88.50
Support, Lit Tech	6/30/2021	B110	Analyze and prepare forensic quote for collection/preservation of client data. ^AJR^ (NO CHARGE)	0.50	0.00
Subtotal Case Administration				24.90	7,198.00
Total Hours				25.00	

Total Fees **\$7,227.50**

MIRANDA L. SOTO, RECEIVER
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DESCRIPTION OF COSTS

	Description	Amount
06/17/21	Express Mail - FedEx - Raquel Rodriguez - Tracking #774032326211	35.51
06/17/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774026346413	40.27
06/17/21	Express Mail - FedEx - Raquel Rodriguez - Tracking #774032232876	28.30
06/18/21	Miscellaneous Jordan D. Maglich Fax	12.00
06/18/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774040104070	45.75
06/21/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774057719501	54.11
06/21/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774050449740	35.27
06/21/21	Express Mail - FedEx - Raquel Rodriguez - Tracking #774043946011	35.27
06/21/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774057376437	54.11
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132041683	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132273088	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774131582750	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132887860	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132570834	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774131973827	33.94
06/29/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774133489940	28.57
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133126650	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133006324	51.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132659020	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133235793	28.57
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774131825009	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133379340	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132837340	51.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132224220	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132935373	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132180124	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774131894682	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132781664	51.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774128426730	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774131700528	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133071991	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133183900	33.94
06/29/21	Express Mail - FedEx - Soraya Hamilton - Tracking #774135310188	28.57
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774128053125	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774133287893	33.94
06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132487734	33.94

MIRANDA L. SOTO, RECEIVER
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06/29/21	Express Mail - FedEx - MIRANDA SOTO - Tracking #774132701050	33.94
06/29/21	Water Bill - Past Due = \$461; Current = \$233.45	694.45
06/30/21	Express Mail - FedEx - Mail Room - Tracking #774146272310	28.00
Total Costs		\$2,051.25

Amount Due This Invoice:	\$9,278.75
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TIMEKEEPER SUMMARY

Name	Title	Hours	Rate	Amount
Lit Tech Support	Litigation Support	0.50	N/C	N/C
M. L. Soto	Partner	24.50	295.00	7,227.50
Total		25.00		7,227.50

TASK CODE DESCRIPTION

Description	Hours	Amount
Case Administration	24.90	7,198.00
Petitions, Schedules, Statement of Affairs	0.10	29.50
	25.00	7,227.50

REMITTANCE STATEMENT

ANDREW O. SCHIFF, REGIONAL TRIAL COUNSEL
ALICE K. SUM, TRIAL COUNSEL
SECURITIES AND EXCHANGE COMMISSION
MIAMI REGIONAL OFFICE
801 BRICKELL AVENUE, SUITE 1950
SCHIFFA@SEC.GOV; SUMAL@SEC.GOV

July 14, 2021
Invoice No. 12101120

Our Reference: 0104027-000001
Client Name: MIRANDA L. SOTO, RECEIVER
Invoice Date: July 14, 2021
Invoice Number: 12101120
Total Due This Invoice: \$9,278.75

Total Due All Invoices For this Matter:	\$9,278.75
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**PLEASE RETURN THIS REMITTANCE STATEMENT WITH YOUR PAYMENT
THANK YOU**

Make checks payable to: Buchanan Ingersoll & Rooney
Union Trust Building
Attn: Accounting Department
501 Grant Street – Suite 200
Pittsburgh, PA 15219-4413
Tax ID: 25-1381032

Wire / ACH Information
PNC Bank, N.A.
Buchanan Ingersoll & Rooney Operating Account
Account #: 1133081072
Routing#: 043000096
SWIFT CODE: PNCCUS33

Please Reference 0104027-000001 Invoice: 12101120

Amount remitted this payment: \$ _____

**RECENT FEES AND DISBURSEMENTS MAY NOT
YET BE ENTERED ON YOUR ACCOUNT AND
IF NOT, WILL BE SUBSEQUENTLY BILLED**

EXHIBIT “6b”



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ANDREW O. SCHIFF, REGIONAL TRIAL COUNSEL
ALICE K. SUM, TRIAL COUNSEL
SECURITIES AND EXCHANGE COMMISSION
MIAMI REGIONAL OFFICE
801 BRICKELL AVENUE, SUITE 1950
SCHIFFA@SEC.GOV; SUMAL@SEC.GOV

July 14, 2021
Invoice No. 12101121

INVOICE SUMMARY

For Professional Services Rendered:

RE: SEC V PROPERTY INCOME INVESTORS LLC
Our Reference: 0104027-000002

Fees:	\$36,255.50
Disbursements:	<u>\$0.00</u>

Total Current Invoice:	\$36,255.50
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SECURITIES AND EXCHANGE COMMISSION
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801 BRICKELL AVENUE, SUITE 1950
SCHIFFA@SEC.GOV; SUMAL@SEC.GOV

July 14, 2021
Invoice No. 12101121

For Professional Services Rendered:

RE: SEC V PROPERTY INCOME INVESTORS LLC
Our Reference: 0104027-000002

SERVICES INCLUDING

Timekeeper	Date	Task	Narrative	Hours	Amount
<u>Business Operations</u>					
Maglich J. D.	6/21/2021	B210	Analyze status of properties and confer with R. Rodriguez regarding potential property management options.	0.50	147.50
Maglich J. D.	6/21/2021	B210	Telephone and email correspondence with Larry Brodman regarding email and bank accounts.	0.30	88.50
Maglich J. D.	6/21/2021	B210	Analyze and review process for obtaining IRS EIN number and confer with accounting professional regarding process.	0.50	147.50
Maglich J. D.	6/21/2021	B210	Telephone calls and email correspondence with Jerron Kelley regarding Order Appointing Receiver and status of escrowed sale proceeds and confer with firm finance department regarding holding of proceeds in trust.	0.90	265.50
Maglich J. D.	6/22/2021	B210	Work with Cindy Lieberman to address water turn-off issue	0.20	59.00



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MIRANDA L. SOTO, RECEIVER
RE: SEC V PROPERTY INCOME INVESTORS LLC
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Timekeeper	Date	Task	Narrative	Hours	Amount
Maglich J. D.	6/23/2021	B210	Exchange correspondence with counsel for mortgage lender to 3775 property and confer with R. Rodriguez and M. Soto regarding same (.6); Review and analyze insurance policies provided for Receivership properties and revise property tracking spreadsheet (1.3); Telephone and email correspondence with C. Lieberman regarding pending items for administration of office and business (.5);	2.40	708.00
Maglich J. D.	6/29/2021	B210	Review invoice from plumbing company and confer with Receiver and R. Rodriguez regarding same	0.20	59.00
Maglich J. D.	6/29/2021	B210	Review bank statements and confer with ADP regarding identification of payroll records	0.30	88.50
Maglich J. D.	6/29/2021	B210	Review office files to locate tenant leases and coordinate scanning into system	0.80	236.00
Maglich J. D.	6/29/2021	B210	Analyze status of overdue water bill for 3775 property, participate in telephone and email correspondence with Coral Springs Water Department, and confer with Receiver and R. Rodriguez regarding same	1.00	295.00
Maglich J. D.	6/29/2021	B210	Multiple telephone calls with property tenants and prepare call log for same	0.50	147.50
Maglich J. D.	6/30/2021	B210	Gather tenant leases, prepare for scanning to KPM Property Management, and coordinate with Benjamin Gene regarding same	0.40	118.00
Maglich J. D.	6/30/2021	B210	Telephone and email correspondence with FPL regarding account and payment status and draft memo to file regarding same	1.00	295.00
Maglich J. D.	6/30/2021	B210	Telephone calls with tenants and log conversations to tenant call log	0.40	118.00
Subtotal Business Operations				9.40	2,773.00



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Timekeeper	Date	Task	Narrative	Hours	Amount
<u>Asset Analysis and Recovery</u>					
Rodriguez, R.	6/16/2021	B120	Emails with M. Soto and J. Maglich regarding potential management companies and outreach to same.	0.30	88.50
Rodriguez, R.	6/16/2021	B120	Emails to potential funders for receivership expenses.	0.40	118.00
Rodriguez, R.	6/16/2021	B120	Review and further revise letter regarding appointment of Receiver.	0.30	88.50
Maglich J. D.	6/18/2021	B120	Telephone and email correspondence with Chase Bank regarding service of Order Appointing Receiver and identification of accounts to be frozen and confer with M. Soto and R. Rodriguez regarding same	0.80	236.00
Maglich J. D.	6/18/2021	B120	Review Sunbiz details for PII entities and research Anthony Coleman contact information	0.40	118.00
Maglich J. D.	6/18/2021	B120	Review status of PII real estate and potential liens/mortgages and confer with R. Rodriguez regarding same	0.70	206.50
Rodriguez, R.	6/18/2021	B120	Revise and finalize letter to H. Reiter providing order and list of properties on Broward and Palm Beach tax rolls under PII entity names.	0.40	118.00
Rodriguez, R.	6/18/2021	B120	Call with C. Lieberman and J. Maglich regarding location and status of assets and condition of properties.	0.30	88.50
Rodriguez, R.	6/18/2021	B120	Call with L. Brodman and J. Maglich regarding location and status of assets and condition of properties.	0.70	206.50
Rodriguez, R.	6/18/2021	B120	Review and respond to email from G. Coleman.	0.10	29.50
Rodriguez, R.	6/18/2021	B120	Revise and finalize letter to G. Coleman.	0.40	118.00
Rodriguez, R.	6/18/2021	B120	Call with office of G. Coleman (registered agent for Receivership Entities) to obtain email and attempt to reach Mr. Coleman.	0.10	29.50



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Timekeeper	Date	Task	Narrative	Hours	Amount
Rodriguez, R.	6/18/2021	B120	Email and follow up call with A. Wiek (LexShares) regarding potential funding for receiver administrative costs for protection of property.	0.40	118.00
Rodriguez, R.	6/18/2021	B120	Review and respond to email from R. Kaplan (Cushman Wakefield) regarding potential property management or brokerage services.	0.10	29.50
Rodriguez, R.	6/18/2021	B120	Email and follow up call with H. Jimenez (Benworth Capital) regarding potential funding for property maintenance and protection.	0.50	147.50
Rodriguez, R.	6/18/2021	B120	Call with H. Reiter (Roy Roth Insurance) to determine insurance status of properties.	0.10	29.50
Rodriguez, R.	6/18/2021	B120	Review and revise letter to Chase Bank.	0.10	29.50
Rodriguez, R.	6/18/2021	B120	Review and revise task list incorporating information regarding tax status (0.7).	0.70	206.50
Rodriguez, R.	6/18/2021	B120	Numerous emails to and from M. Soto and J. Maglich sharing information regarding property status follow up tasks for the day (0.2); brief status meeting with M. Soto and J. Maglich (0.5); follow up call with J. Maglich to divide follow up tasks (0.1); review and respond to email update from J. Maglich to M. Soto regarding information obtained and next steps (0.1).	1.00	295.00
Rodriguez, R.	6/18/2021	B120	Continue open source due diligence on company registered agent and verify current office contact information (0.6); open source due diligence on property tax status of all the properties in Broward and Palm Beach Counties (0.8).	1.40	413.00
Maglich J. D.	6/19/2021	B120	Confer with M. Soto and R. Rodriguez on status of bank account and issues to consider in opening new accounts	1.00	295.00



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MIRANDA L. SOTO, RECEIVER
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Timekeeper	Date	Task	Narrative	Hours	Amount
Maglich J. D.	6/21/2021	B120	Telephone calls and email correspondence with Jerron Kelley regarding Order Appointing Receiver and status of escrowed sale proceeds.	0.50	147.50
Maglich J. D.	6/21/2021	B120	Exchange correspondence with Larry Brodman and Carl Shoeppl regarding release of funds, and confer with Receiver and R. Rodriguez regarding same.	0.70	206.50
Maglich J. D.	6/21/2021	B120	Confer with R. Rodriguez and review email from insurance agents regarding status of casualty insurance on properties.	0.30	88.50
Maglich J. D.	6/21/2021	B120	Visit property at 201 E. 30th St in Riviera Beach and draft correspondence to team regarding same.	0.50	147.50
Rodriguez, R.	6/21/2021	B120	Prepare attachments for and email Herman Reiter at Roy Roth insurance regarding additional information for properties for confirmation of insurance coverage; review and respond to emails from Gail Reiter at Roy Roth regarding policies in force.	1.10	324.50
Rodriguez, R.	6/21/2021	B120	Emails with M. Soto and J. Maglich regarding transfer of escrow funds into firm trust account and advancement of expenses by firm for urgent matters (0.3); email M. Soto and J. Maglich regarding property insurance coverage status (0.1).	0.40	118.00
Rodriguez, R.	6/21/2021	B120	Prepare and send information package to R. Cruise (potential property manager) for proposal.	1.10	324.50
Rodriguez, R.	6/21/2021	B120	Email M. Soto regarding potential property managers (0.3); email J. Maglich regarding information for spreadsheet on properties and preparation for property manager (0.1)	0.40	118.00
Rodriguez, R.	6/21/2021	B120	Review and respond to email from M. Perry Law providing documents requested.	0.10	29.50



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Timekeeper	Date	Task	Narrative	Hours	Amount
Rodriguez, R.	6/21/2021	B120	Email A. Weick with background documents for potential litigation funding of receivership in event of cashflow shortage.	0.30	88.50
Rodriguez, R.	6/21/2021	B120	Due diligence to identify potential sources of funding for receivership in anticipation of potential cash flow shortages for maintenance, insurance and utility expenses (included calls with potential lenders) (0.9); commence due diligence efforts to identify potential property managers for properties (1.1).	2.00	590.00
Maglich J. D.	6/22/2021	B120	Review insurance policies and information and update internal property list memo	0.80	236.00
Maglich J. D.	6/22/2021	B120	Telephone and email correspondence with Jerron Kelley, M. Soto, and R. Rodriguez regarding status and wiring of escrowed funds	1.00	295.00
Rodriguez, R.	6/22/2021	B120	Email J. Maglich regarding return call to Chase (0.1); emails with J. Maglich regarding intake of escrow funds into firm trust account (0.1)	0.20	59.00
Rodriguez, R.	6/22/2021	B120	Review and comment on draft letter to Coleman.	0.10	29.50
Rodriguez, R.	6/22/2021	B120	Review numerous emails from insurance broker regarding casualty policies (0.7).	0.70	206.50
Maglich J. D.	6/23/2021	B120	Review status of bank accounts and participate in telephone and email correspondence with V. Gonzalez from Chase Bank regarding account freeze and next steps (.7); Confer with R. Rodriguez and M. Soto regarding selection of property management company and review proposal from Cruise Property Management (.5 – no charge)	0.70	206.50



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Timekeeper	Date	Task	Narrative	Hours	Amount
Rodriguez, R.	6/23/2021	B120	Call with J. Maglich and counsel for Chase Bank regarding account freeze and handover of funds (0.4); emails with insurance agency to confirm casualty insurance (0.2).	0.60	177.00
Rodriguez, R.	6/23/2021	B120	Review and respond to emails from J. Maglich (0.1); team call with Receiver and J. Maglich regarding pending items (0.7).	0.80	236.00
Rodriguez, R.	6/23/2021	B120	Review property management proposal from Cruise Management (0.2); due diligence on potential managers (KW and AKAM) (0.2).	0.40	118.00
Maglich J. D.	6/24/2021	B120	Review proposal from Keyes Property Management and correspondence regarding same	0.30	88.50
Maglich J. D.	6/24/2021	B120	Telephone and email correspondence with counsel for L. Brodman and V. Gonzales from Chase Bank regarding freeze of L. Brodman account and strategize with Receiver and R. Rodriguez regarding same	0.60	177.00
Maglich J. D.	6/24/2021	B120	Review and analyze various repair issues with properties and confer with M. Soto and R. Rodriguez regarding same	0.50	147.50
Maglich J. D.	6/24/2021	B120	Review and analyze rent roll records and prepare preliminary rent roll for correspondence with property management candidates	0.80	236.00
Rodriguez, R.	6/24/2021	B120	Initial conversation with B. Gene (Keyes Property Management) regarding potential engagement as property manager.	0.40	118.00
Rodriguez, R.	6/24/2021	B120	Conduct further due diligence on potential property managers.	1.00	295.00
Rodriguez, R.	6/24/2021	B120	Review and respond to email from J. Maglich regarding agenda for his call with lender and pending demand letter.	0.20	59.00



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Rodriguez, R.	6/24/2021	B120	Email H. Ayure (BIR corporate associate) regarding change of registered agent and managing member of receivership entities (0.1); review response from H. Ayure regarding same and whether corporate resolution is required (0.1).	0.20	59.00
Rodriguez, R.	6/24/2021	B120	Emails and call with J. Maglich regarding Chase freezing of Brodman personal accounts and plan to resolve same.	0.20	59.00
Rodriguez, R.	6/24/2021	B120	Email M. Soto regarding referral to KPM from Castle for property management, qualifications of KPM and overall proposal.	0.20	59.00
Rodriguez, R.	6/24/2021	B120	Review and respond to emails from J. Maglich and M. Soto regarding RA Coleman response to multiple requests for company accounting records and proposed response thereto.	0.40	118.00
Rodriguez, R.	6/24/2021	B120	Review and provide summary rent roll to B. Gene in connection with potential engagement of KPM as property manager.	0.20	59.00
Rodriguez, R.	6/24/2021	B120	Call with J. Maglich regarding list of pressing items and next steps (0.3); review and respond to email from J. Maglich regarding engagement of CPA (0.2); various emails with J. Maglich regarding rent roll information requested by KPM for preparation of proposal to provide services and review photo of white board "rent roll" recovered from entities (0.4).	0.90	265.50



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Rodriguez, R.	6/24/2021	B120	Review email from Mr. Brodman's counsel regarding Chase bank freeze of his personal accounts and advising of agreement with SEC (0.1); email A. Sum regarding same and requesting clarification of SEC settlement with Mr. Brodman (0.2); call with A. Sum and D. Staubitz regarding scope of Chase bank account freeze (0.3); review email from A. Sum regarding follow up call with Chase (0.1); call with V. Gonzalez (Chase) confirming conversation with SEC regarding non-freezing of Brodman personal accounts (0.1); follow up email to V. Gonzalez confirming the preceding in writing (0.1).	0.90	265.50
Maglich J. D.	6/25/2021	B120	Revise expedited motion to retain property management professionals and proposed order, confer with Receiver and R. Rodriguez regarding motion, and exchange correspondence with counsel of record regarding same.	1.50	442.50
Maglich J. D.	6/25/2021	B120	Review proposal from Kaufman CPA and participate in telephone call with Dana Kaufman regarding same.	0.40	118.00
Rodriguez, R.	6/25/2021	B120	Lengthy follow up call with B. Gene, Keys Property Management, regarding potential engagement as property manager, past terms of engagement with receivers and usual and customary charges for same.	0.80	236.00
Rodriguez, R.	6/25/2021	B120	Email copies of insurance policies to B. Gene (KPM) and confirm acceptability of coverage in connection with potential engagement as property manager.	0.20	59.00



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Rodriguez, R.	6/25/2021	B120	Various emails with J. Maglich regarding the motion to retain property manager and issues related thereto (0.6); email M. Soto regarding terms of management services agreement (0.2); provide KPM liability policy to M. Soto for review (0.1);	0.90	265.50
Rodriguez, R.	6/25/2021	B120	Work on drafting changes to KPM's standard management services agreement; review and compare standard form and proposed fees with terms and conditions in prior receivership engagement with C. Lichtman.	4.00	1,180.00
Rodriguez, R.	6/26/2021	B120	Email to B. Gene, Keyes Property Management, regarding revisions to services agreement (0.2); review email from A. Coleman (registered agent and accountant for Receivership Entities) (0.1).	0.30	88.50
Rodriguez, R.	6/26/2021	B120	Review and respond to emails from J. Maglich regarding tenant letter and follow up items regarding securing entity records and assets (0.2); review and respond to email from J. Maglich re tenant letters (0.1); email M. Etkins regarding dedicated email account set up (0.1); review and respond to email from M. Soto regarding tenant letter and communication means for tenants (0.1); email J. Maglich and M. Soto re email from A. Coleman (registered agent and accountant for Receivership Entities) (0.1).	0.60	177.00
Rodriguez, R.	6/26/2021	B120	Revise letter to tenants regarding appointment of receiver, rental payments and contact information (1.1); continue revising Keyes Property Management Agreement and generate redline of same (1.3).	2.40	708.00



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Rodriguez, R.	6/27/2021	B120	Review and respond to email from B. Gene (Keys Property Management) regarding revisions to the standard agreement for engagement by the receiver.	0.20	59.00
Rodriguez, R.	6/27/2021	B120	Review and respond to various emails from J. Maglich regarding follow up items with prospective property manager, tenant letter and subpoenas to be issued.	0.50	147.50
Rodriguez, R.	6/28/2021	B120	Review and respond to email from Cindy regarding company passwords (0.1); call with C. Lichtman re recommendation of KPM for receivership work (0.2); various emails with B. Gene (KPM) regarding proposed revisions to services agreement (0.4); email to B. Gene Receiver's motion to retain (0.1); email R. Cruise regarding Receiver decision to retain other manager (0.1).	0.90	265.50
Rodriguez, R.	6/28/2021	B120	Various emails with J. Maglich and M. Soto regarding status of recovery of company records (0.2); emails and calls with M. Soto regarding several provisions of the property manager services agreement and revisions to same (0.5); call and several emails with J. Maglich re motion to retain property Manager (0.4).	1.10	324.50
Rodriguez, R.	6/28/2021	B120	Further review and revise property manager service agreement, including revisions regarding indemnification, dispute settlement and termination provisions.	2.50	737.50
Maglich J. D.	6/29/2021	B120	Draft instructions to JP Morgan Chase regarding transfer of frozen assets	0.40	118.00
Maglich J. D.	6/29/2021	B120	Review status of IRS EIN number and confer with PDR CPA and Receiver regarding same	0.30	88.50



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Timekeeper	Date	Task	Narrative	Hours	Amount
Rodriguez, R.	6/29/2021	B120	Review and respond to various emails from J. Maglich regarding status of document intake and review, quotes from IT and accounting vendors, progress regarding materials needed for property manager.	0.50	147.50
Maglich J. D.	6/30/2021	B120	Begin reviewing SEC investigative file and identify bank statements for recent statements	0.80	236.00
Maglich J. D.	6/30/2021	B120	Revise and finalize Subpoenas to third parties and Notice of issuance of subpoenas and exchange correspondence with recipients regarding service	1.00	295.00
Maglich J. D.	6/30/2021	B120	Review bank account activity, analyze recent transactions activity and flow of funds, and identify third parties that require service of Order Appointing Receiver and/or subpoena	1.50	442.50
Rodriguez, R.	6/30/2021	B120	Review and respond to several status updates from J. Maglich regarding status of pending motion to retain property manager, identification of potential transfers, subpoenas, organization of files obtained from companies.	0.40	118.00
Subtotal Asset Analysis and Recovery				50.90	15,015.50

Case Administration

Maglich J. D.	6/15/2021	B110	Review Order Appointing Receiver and other pleadings, confer with M. Soto and R. Rodriguez, and strategize regarding immediate priorities and next steps	1.50	442.50
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Rodriguez, R.	6/15/2021	B110	Review receivership order (0.4); call with Receiver regarding scope of work (0.3); review and respond to email from J. Maglich regarding list of priorities (0.5); attend to emails regarding initial call with SEC (0.1).	1.30	383.50
Rodriguez, R.	6/15/2021	B110	Video meeting with Receiver and SEC counsel.	0.50	147.50
Rodriguez, R.	6/15/2021	B110	Follow up email re same.	0.10	29.50
J. D. Maglich	06/17/21	B100	Confer with R. Rodriguez and M. Soto regarding immediate and near-term priorities and tasks and prepare checklist of same.	0.70	206.50
J. D. Maglich	06/17/21	B100	Revise and finalize access form request.	0.30	88.50
J. D. Maglich	06/17/21	B100	Review and investigate properties owned by Receivership Entities and confer with R. Rodriguez and M. Soto regarding same.	1.00	295.00
J. D. Maglich	06/17/21	B100	Review and exchange correspondence with counsel for Anthony Nicolosi and Larry Brodman and confer with R. Rodriguez and M. Soto regarding same.	0.50	147.50
Maglich J. D.	6/16/2021	B110	Numerous telephone and email correspondence with M. Soto and R. Rodriguez regarding immediate priorities, filing of notices of appearance, service of access form, and preparation and service of letter to third parties Brodman and Nicolosi enclosing Order Appointing Receiver.	2.00	590.00
Maglich J. D.	6/16/2021	B110	Telephone and email correspondence with Alice Sum regarding new matter and immediate priorities.	0.50	147.50
Rodriguez, R.	6/16/2021	B110	Emails regarding same with J. Maglich and Receiver.	0.10	29.50
Rodriguez, R.	6/16/2021	B110	Review and revise draft letter to entity attorney.	0.40	118.00
Rodriguez, R.	6/16/2021	B110	Attend to notice of appearance.	0.20	59.00



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Rodriguez, R.	6/16/2021	B110	First day call with SEC regarding need for information regarding location of assets and entity documents and names of persons and entities to be notified of appointment.	0.50	147.50
Rodriguez, R.	6/16/2021	B110	First day call with Receiver and J. Maglich regarding immediate tasks at hand.	0.50	147.50
Rodriguez, R.	6/16/2021	B110	Further review and respond to J. Maglich email regarding priority tasks for receivership.	0.10	29.50
Rodriguez, R.	6/16/2021	B110	Due diligence on Equinox Holdings, Inc.	0.10	29.50
Rodriguez, R.	6/17/2021	B110	Emails with B. Navarro at Benworth Capital.	0.20	59.00
Rodriguez, R.	6/17/2021	B110	Emails with R. Kaplan at Cushman Wakefield.	0.30	88.50
Rodriguez, R.	6/17/2021	B110	Access and review Sunbiz records of Receivership Entities to determine status and other corporate information.	0.50	147.50
Rodriguez, R.	6/17/2021	B110	Review PII website and evaluate properties allegedly owned by Receivership Entities.	0.80	236.00
Rodriguez, R.	6/17/2021	B110	Commence due diligence on potential management companies and sources of funding for receivership (1.1);	1.10	324.50
Rodriguez, R.	6/17/2021	B110	Review and respond to email response from M. Perry.	0.10	29.50
Rodriguez, R.	6/17/2021	B110	Review Maglich revisions to Perry email, further revise email and send same to M. Perry.	0.30	88.50
Rodriguez, R.	6/17/2021	B110	Call with J. Maglich re same and additional items for follow up.	0.40	118.00
Rodriguez, R.	6/17/2021	B110	Draft confirming email to M. Perry.	0.50	147.50
Rodriguez, R.	6/17/2021	B110	Call with M. Perry (counsel to Mr. Nicolosi) regarding Order.	0.30	88.50
Rodriguez, R.	6/17/2021	B110	Review various emails from J. Maglich regarding service of Order on various persons.	0.20	59.00
Rodriguez, R.	6/17/2021	B110	Review J. Maglich email regarding bank.	0.10	29.50



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Rodriguez, R.	6/17/2021	B110	Follow up emails with M. Soto and J. Maglich (0.2).	0.20	59.00
Maglich J. D.	6/18/2021	B110	Review correspondence regarding phone conversation with Roy Roth insurance agency regarding insurance situation	0.30	88.50
Maglich J. D.	6/18/2021	B110	Telephone call with C. Lieberman and R. Rodriguez regarding status of assets and accounts and draft preliminary memo regarding same.	0.60	177.00
Maglich J. D.	6/18/2021	B110	Telephone call with L. Brodman and R. Rodriguez regarding status of assets and accounts and draft preliminary memo regarding same.	0.60	177.00
Maglich J. D.	6/18/2021	B110	Telephone call and numerous email correspondence with M. Soto and R. Rodriguez regarding identifying relevant information and individuals to be served with Order Appointing Receiver, near-term strategy and priority items, and securing assets	2.50	737.50
Maglich J. D.	6/19/2021	B110	Prepare subpoena template and begin drafting motion for retention of BIPC	1.30	383.50
Maglich J. D.	6/19/2021	B110	Review correspondence from A. Coleman regarding turnover of documents and confer with M. Soto and R. Rodriguez regarding same	0.40	118.00
Maglich J. D.	6/20/2021	B110	Exchange correspondence with C. Lieberman regarding visit to storage unit and compliance with Order Appointing Receiver	0.30	88.50
Maglich J. D.	6/20/2021	B110	Revise and finalize memoranda summarizing telephone calls with L. Brodman and C. Lieberman and confer with M. Soto and R. Rodriguez regarding near-term priority items	1.00	295.00
Maglich J. D.	6/20/2021	B110	Confer with Soraya Hamilton regarding issuance of Order Appointing Receiver on additional third parties	0.20	59.00



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Maglich J. D.	6/20/2021	B110	Review status of L. Brodman email accounts and draft email to L. Brodman regarding Order Appointing Receiver	0.30	88.50
Maglich J. D.	6/21/2021	B110	Travel to south Florida to visit storage unit and properties (NO CHARGE).	4.00	0.00
Maglich J. D.	6/21/2021	B110	Numerous email correspondence with M. Soto and R. Rodriguez regarding status and strategy for near-term priorities and visit to storage unit and properties.	1.00	295.00
Maglich J. D.	6/21/2021	B110	Continue preparing subpoenas to defendants and third parties.	1.50	442.50
Maglich J. D.	6/21/2021	B110	Review correspondence regarding production from Anthony Nicolosi.	0.10	29.50
Maglich J. D.	6/21/2021	B110	Review correspondence to ADP, Chase Bank, and Fay Servicing enclosing Order Appointing Receiver.	0.40	118.00
Maglich J. D.	6/21/2021	B110	Telephone and email correspondence with multiple banking institutions regarding establishment of fiduciary accounts.	0.50	147.50
Maglich J. D.	6/21/2021	B110	Multiple emails with C. Lieberman regarding status of documents and properties and confer regarding storage unit status.	0.60	177.00
Maglich J. D.	6/22/2021	B110	Travel back to Tampa (NO CHARGE).	3.00	0.00
Maglich J. D.	6/22/2021	B110	Review correspondence from counsel for investor and draft correspondence enclosing Order Appointing Receiver.	0.20	59.00
Maglich J. D.	6/22/2021	B110	Review demand letter from counsel for lender and draft correspondence regarding Order Appointing Receiver.	0.20	59.00
Maglich J. D.	6/22/2021	B110	Correspondence with counsel for L. Brodman regarding status of engagement.	0.20	59.00
Maglich J. D.	6/22/2021	B110	Draft correspondence to JP Morgan regarding order appointing receiver.	0.20	59.00
Maglich J. D.	6/22/2021	B110	Confer with tax and banking professionals to establish IRS EIN and coordinate opening of bank accounts.	0.60	177.00



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Maglich J. D.	6/22/2021	B110	Numerous correspondence with M. Soto and R. Rodriguez regarding near-term priority issues and tasks.	1.00	295.00
Maglich J. D.	6/22/2021	B110	Visit and review contents of storage unit and prepare inventory of same.	3.50	1,032.50
Maglich J. D.	6/22/2021	B110	Travel to Coleman & Cohen office and deliver Order Appointing Receiver.	0.40	118.00
Maglich J. D.	6/22/2021	B110	Interview Cindy Lieberman and draft memorandum to file.	1.50	442.50
Maglich J. D.	6/23/2021	B110	Correspondence with counsel for Larry Brodman regarding re-engagement (.2); Participate in meeting with M. Soto and R. Rodriguez regarding status of near-term tasks and upcoming priorities (.6); Telephone and email correspondence with accounting and banking professionals regarding obtaining EIN number and establishing fiduciary bank accounts (1.0); Review investor files retrieved from storage unit (.4); Prepare letter to investors regarding initial status and next steps (.5); Work with C. Lieberman regarding water shutoff issue and strategize regarding resolution of issue (.3)	3.00	885.00
Maglich J. D.	6/24/2021	B110	Analyze and review need for document imaging professionals to scan storage unit contents	0.30	88.50
Maglich J. D.	6/24/2021	B110	Exchange correspondence with Anthony Coleman and confer with M. Soto and R. Rodriguez regarding strategy	0.60	177.00
Maglich J. D.	6/24/2021	B110	Draft motion to retain professionals and confer with M. Soto and R. Rodriguez regarding selection of property management and accounting professionals	2.10	619.50
Maglich J. D.	6/24/2021	B110	Prepare subpoenas to defendants and third parties	2.00	590.00
Maglich J. D.	6/25/2021	B110	Telephone call with IRS regarding status of EIN request.	0.20	59.00



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Maglich J. D.	6/25/2021	B110	Telephone call with M. Soto and R. Rodriguez regarding current status, retention of property management company, and next steps.	1.20	354.00
Maglich J. D.	6/25/2021	B110	Confer with Receiver and R. Rodriguez regarding competing proposals from property management companies and selection of Keyes Property Management.	0.50	147.50
Maglich J. D.	6/26/2021	B110	Draft and revise letter to tenants advising of Receiver's appointment and steps going forward and confer with Receiver and R. Rodriguez regarding status of property management retention.	0.80	236.00
Maglich J. D.	6/26/2021	B110	Multiple correspondence with Anthony Coleman regarding compliance with Order Appointing Receiver and confer with Receiver and R. Rodriguez regarding same.	0.60	177.00
Maglich J. D.	6/27/2021	B110	Travel to South Florida and review documents in storage unit (NO CHARGE).	4.00	0.00
Maglich J. D.	6/27/2021	B110	Revise letters to tenants of seven properties and confer with Receiver and R. Rodriguez regarding same.	1.50	442.50
Maglich J. D.	6/27/2021	B110	Revise subpoena to third parties including JPM, Brodman, Nicolosi, and Capital Market Partners.	0.60	177.00
Maglich J. D.	6/28/2021	B110	Travel to Tampa from South Florida (NO CHARGE).	3.50	0.00
Maglich J. D.	6/28/2021	B110	Meet with Cindy Lieberman to pick up computers	0.20	59.00
Maglich J. D.	6/28/2021	B110	Visit Coleman & Cohen, review complaint filed against Receivership Entities and confer with Receiver and R. Rodriguez regarding same	0.50	147.50
Maglich J. D.	6/28/2021	B110	Confer with Receiver and R. Rodriguez regarding establishment of Receiver email address	0.20	59.00



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Maglich J. D.	6/28/2021	B110	Revise and finalize expedited motion to retain property management firm and attached exhibits and prepare for filing	1.50	442.50
Maglich J. D.	6/28/2021	B110	Review and secure documents in storage unit	1.50	442.50
Maglich J. D.	6/28/2021	B110	Revise and finalize letters to tenants (1.0), Visit seven properties to serve letters and meet with tenants (2.0), and participate in telephone calls with tenants regarding Order Appointing Receiver and draft memo to file regarding same (0.8).	3.80	1,121.00
Rodriguez, R.	6/28/2021	B110	Confer with Receiver and J. Maglich regarding establishment of Receivership email address.	0.20	59.00
Rodriguez, R.	6/28/2021	B110	Revise motion for leave to retain property manager and proposed order.	1.70	501.50
Maglich J. D.	6/29/2021	B110	Exchange correspondence with Anthony Coleman regarding compliance with Order Appointing Receiver and status of document production	0.40	118.00
Maglich J. D.	6/29/2021	B110	Review records and finalize letter to Chad Pugatch containing Order Appointing Receiver	0.30	88.50
Maglich J. D.	6/29/2021	B110	Exchange correspondence with counsel for Larry Brodman regarding status	0.20	59.00
Maglich J. D.	6/29/2021	B110	Review Complaint filed against Receivership Entities in Broward Court and draft correspondence to counsel regarding same	0.40	118.00
Maglich J. D.	6/29/2021	B110	Exchange correspondence with potential website, imaging, and forensic technology vendors and confer with Receiver and R. Rodriguez regarding same	0.70	206.50
Maglich J. D.	6/29/2021	B110	Revise and finalize third-party subpoenas and prepare notice of issuance	0.70	206.50
Maglich J. D.	6/30/2021	B110	Exchange correspondence with C. Pugatch regarding receipt of Order Appointing Receiver	0.20	59.00



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Maglich J. D.	6/30/2021	B110	Confer with Receiver and R. Rodriguez regarding case status and upcoming action items	0.50	147.50
Maglich J. D.	6/30/2021	B110	Telephone and email correspondence with V. Gonzalez at Chase Bank regarding subpoena and account status	0.30	88.50
Maglich J. D.	6/30/2021	B110	Confer with professionals about imaging of computers and scanning of documents	0.40	118.00
Maglich J. D.	6/30/2021	B110	Telephone and email correspondence with counsel for L. Brodman and exchange correspondence with Receiver and R. Rodriguez regarding same	0.80	236.00

Subtotal Case Administration **77.10** **18,467.00**

Total Hours **137.40**

Total Fees **\$36,255.50**

Amount Due This Invoice:	\$36,255.50
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One Biscayne Tower
Two South Biscayne Blvd., Suite 1500
Miami, FL 33131-1822

T 305 347 4080
F 305 347 4089
www.bipc.com

MIRANDA L. SOTO, RECEIVER
RE: SEC V PROPERTY INCOME INVESTORS LLC
0104027-000002

Page 21
July 14, 2021
Invoice No. 12101121

TIMEKEEPER SUMMARY

Name	Hours	Rate	Amount
J. D. Maglich	91.30	295.00	22,656.00
R. Rodriguez	46.10	295.00	13,599.50
Total	137.40		36,255.50

TASK CODE DESCRIPTION

Description	Hours	Amount
Case Administration	77.10	18,467.00
Asset Analysis and Recovery	50.90	15,015.50
Business Operations	9.40	2,773.00
Total	137.40	36,255.50



One Biscayne Tower
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REMITTANCE STATEMENT

ANDREW O. SCHIFF, REGIONAL TRIAL COUNSEL
ALICE K. SUM, TRIAL COUNSEL
SECURITIES AND EXCHANGE COMMISSION
MIAMI REGIONAL OFFICE
801 BRICKELL AVENUE, SUITE 1950
SCHIFFA@SEC.GOV; SUMAL@SEC.GOV

July 14, 2021
Invoice No. 12101121

Our Reference: 0104027-000002
Client Name: MIRANDA L. SOTO, RECEIVER
Invoice Date: July 14, 2021
Invoice Number: 12101121
Total Due This Invoice: \$36,255.50

Total Due All Invoices For this Matter:	\$36,255.50
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**PLEASE RETURN THIS REMITTANCE STATEMENT WITH YOUR PAYMENT
THANK YOU**

Make checks payable to: Buchanan Ingersoll & Rooney
Union Trust Building
Attn: Accounting Department
501 Grant Street – Suite 200
Pittsburgh, PA 15219-4413
Tax ID: 25-1381032

Wire / ACH Information
PNC Bank, N.A.
Buchanan Ingersoll & Rooney Operating Account
Account #: 1133081072
Routing#: 043000096
SWIFT CODE: PNCCUS33

Please Reference 0104027-000002 Invoice: 12101121

Amount remitted this payment: \$ _____

**RECENT FEES AND DISBURSEMENTS MAY NOT
YET BE ENTERED ON YOUR ACCOUNT AND
IF NOT, WILL BE SUBSEQUENTLY BILLED**

EXHIBIT “7”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO.: 21-61176-CIV-SINGHAL

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.

**ORDER GRANTING RECEIVER'S FIRST INTERIM OMNIBUS
APPLICATION FOR ALLOWANCE AND PAYMENT OF PROFESSIONALS'
FEES AND REIMBURSEMENT OF EXPENSES
FOR APRIL 1, 2021 – JUNE 30, 2021**

THIS CAUSE came before the Court on the Receiver's (the "**Receiver**") First Interim Omnibus Application for Allowance and Payment of Professionals' Fees and Reimbursement of Expenses for April 1, 2021 through June 30, 2021 (Doc. __) (the "**Application**"). With the Court having considered the Application, reviewed the file, and finding that cause exists to grant the Application, it is hereby **ORDERED** as follows:

1. The Application is **GRANTED**.

2. The Court awards the following sums and directs that payment be made from

Receivership assets:

Miranda L. Soto, Esq. and Buchanan Ingersoll	\$45,534.25
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DONE and ORDERED this ____ day of _____, 2021 in the Southern
District of Florida.

UNITED STATES DISTRICT COURT JUDGE