

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.

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**RECEIVER'S MOTION FOR APPROVAL TO DISMISS, AND DISMISSAL OF,  
THIRD-PARTY COMPLAINT AGAINST KELLEY & GRANT PA  
AND JERRON KELLEY**

Miranda L. Soto, 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), hereby files this motion seeking this Court's approval to dismiss, and dismissal of, the Receiver's Supplemental Third-Party Complaint Against Kelley & Grant, P.A. and Jerron L. Kelley ("Third-Party Complaint"). In support, the Receiver states as follows:

**I. BACKGROUND**

On December 31, 2024, the Receiver filed her Third-Party Complaint against Kelley & Grant, P.A. ("Kelley & Grant") and one of its principals, Jerron Kelley, alleging that Kelley & Grant and Mr. Kelley negligently allowed the loss of a \$55,000 real estate deposit consisting of funds belonging to the Receivership Entities following a failed real estate transaction, thus failing in their duty to safeguard the Receivership Entities' (and their investors') interests. The Receiver obtained this Court's approval to file the Third-Party Complaint, which was filed out of necessity in order to avoid the running of the statute of limitations applicable to legal malpractice actions when the parties could not reach an agreement to extend the tolling agreement they had previously negotiated.

Since filing the Third-Party Complaint, the Receiver has continued to investigate and evaluate the claims asserted therein, which includes reviewing statements under oath provided by Jerron Kelley and other employees of Kelley & Grant P.A. that provided additional facts with respect to the allegations in the Third-Party Complaint. As these factual assertions are based on questions of knowledge or lack thereof, and disproving those assertions would require testimony from Defendant Larry Brodman, who has asserted his Fifth Amendment right against self-incrimination to decline providing deposition testimony, which he has previously asserted, the Receiver has determined that the likely potential costs, in both time and money, outweigh the

potential benefits in pursuing the Third-Party Complaint. Further, it will delay and reduce the distribution of remaining estate assets to the defrauded investors, who are all anxious to receive the final pay-out in this Receivership. Accordingly, the Receiver has concluded that it is no longer in the best interests of the Receivership Entities to continue this action, and, thus, the Receiver seeks approval from this Court to dismiss the Third-Party Complaint and for an Order dismissing the Complaint on behalf of the PII Entities with prejudice with each party to bear its own fees and costs. To be clear: the Receiver's decision is solely based upon the cost and expense to the Receivership and a determination on the merits of this lawsuit. This dismissal by the Receiver on behalf of the PII Entities does not preclude any defrauded investor from pursuing any claims they may have individually.

## **II. The Requested Relief Is Consistent with The Court's Broad Discretion and Equitable Powers**

This Motion does not seek Court approval of any determination of ultimate fact or law. Federal courts have broad powers and wide discretion to determine relief in an equity receivership, including the authority to determine the appropriate actions to be taken in the administration of the Receivership. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). The Court's broad discretion derives from the inherent powers of an equity court to fashion relief. *Elliott*, 953 F.2d at 1566; *SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 372 (5th Cir. 1982). A court imposing a receivership assumes custody and control of all assets and property of the receivership, and it has broad equitable authority to issue all orders necessary for the proper administration of the receivership estate. *See SEC v. Credit Bancorp Ltd.*, 290 F.3d 80, 82-83 (2d Cir. 2002); *SEC v. Wencke*, 622 F.2d 1363, 1370 (9th Cir. 1980).

The Court may enter such orders as may be appropriate and necessary for a receiver to fulfill their duty to preserve and maintain the property and funds within the receivership estate. *See, e.g., Official Comm. Of Unsecured Creditors of Worldcom, Inc. v. SEC*, 467 F.3d 73, 81 (2d Cir. 2006). Any action taken by a district court in the exercise of its discretion is subject to great deference by appellate courts. *See U.S. v. Branch Coal*, 390 F.2d 7, 10 (3d Cir. 1969). Such discretion is especially important considering that one of the ultimate purposes of a receiver's appointment is to provide a method of gathering, preserving, and ultimately liquidating assets to return funds to creditors. *See Safety Fin. Serv., Inc.*, 674 F.2d 368, 372 (5th Cir. 1982) (court overseeing equity receivership enjoys "wide discretionary power" related to its "concern for orderly administration") (citations omitted).

### **III. CONCLUSION**

For the foregoing reasons, the Receiver respectfully requests that this Court enter an Order dismissing the Receiver's Supplemental Third-Party Complaint Against Kelley & Grant, P.A. and Jerron L. Kelley with prejudice, with each party to bear their own fees and costs.

### **LOCAL RULE 3.01(g) CERTIFICATION**

Pursuant to Local Rule 7.1(a)(3), the undersigned certifies that counsel for the Receiver contacted counsel for the Commission prior to filing this Motion, and the Commission does not oppose the relief sought based upon the Receiver's representations that the "decision is solely based upon the cost and expense to the Receivership and not pursuant to the merit of this lawsuit" and that the Receiver is working to maximize the distribution of remaining estate assets to the defrauded investors as expeditiously as possible. The undersigned further certifies that counsel for the Receiver contacted counsel for Kelley & Grant, P.A. and Jerron Kelley prior to filing this

Motion, and that neither party opposes the relief requested in this motion. The Receiver further contacted counsel for Anthony Nicolosi and Larry Brodman who take no position on the Motion.

Respectfully submitted,

**BUCHANAN INGERSOLL & ROONEY PC**

/s/Raquel A. Rodriguez

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*Attorneys for Receiver Miranda L. Soto*

**CERTIFICATE OF SERVICE**

I hereby certify that on April 21, 2025, 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  
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*Counsel for Plaintiff*

Patrick J. Folley, Esq.  
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*Counsel for Kelley & Grant, P.A. and Jerron Kelley*

Mark C. Perry, Esq.

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Fort Lauderdale, Florida 33308  
*Counsel for Defendant, Anthony Nicolosi, fka Anthony Peluso*

I further certify that on April 21, 2025, a true and correct copy of the foregoing was sent  
via electronic mail to the following to Larry Brodman.

**BUCHANAN INGERSOLL & ROONEY PC**

/s/Raquel A. Rodriguez

Raquel A. Rodriguez