

IN THE CIRCUIT COURT OF THE 11TH
JUDICIAL CIRCUIT IN AND FOR MIAMI
DADE COUNTY, FLORIDA

PERETZ MOCKIN, an individual, ISRAEL
MOGILEVSKY, an Individual, SC EVENTS
INC., a Florida Corporation,

CASE NO.: 2023-023172-CA-01

Plaintiffs,
vs.

PRIORITY CAPITAL SOLUTIONS, INC., a
Florida Corporation, KIT HOLDINGS INC., a
Florida Corporation, BROAD CAPITAL
SOLUTIONS, LLC, a Florida Limited
Liability Company, USD FUNDING LLC, a
Florida Limited Liability Company, ISRAEL
TZIVIN, an Individual, and KATHERINE
LAIRD WILLIAMS, an Individual,

Defendants.

SECOND INTERIM RECEIVERSHIP REPORT

Pursuant to the Court's September 19, 2023 *Agreed Order Granting Plaintiffs' Emergency Agreed Motion for Appointment of a Receiver and Related Relief* (the "Receivership Order"), Receiver Seth Heller files this First Interim Report and states:

Introduction

This Second Interim Receivership Report covers the period from January 1, 2024 to March 30, 2024. Interim Reports will continue to be filed on a quarterly basis. The statements and assessments in this report are based on the Receiver's preliminary findings. The Report is for informational purposes only and the Receiver expressly reserves the right to correct, retract or modify anything stated herein. Nothing stated in the report shall constitute an admission in this proceeding or any other proceeding involving the Receiver.

The First Interim Report detailed the history of the Receivership Entities, the state of the Receivership Entities as of the commencement of the receivership, and the initial actions taken by the Receiver following his appointment. This Second Interim Report will not restate this information.

Overview of Significant Activities During Reporting Period

The Receiver and his agents have worked with VargasAndrews, LLC to reconstruct the books and records of the Receivership Entities¹. The first step of this process, which involved an extensive review, analysis, and categorization of all bank statements has been completed. The Receiver's team is now preparing financial statements, including balance sheets and profit and loss statements. The Receiver has not received full compliance from the Receivership Entities' former management, which has slowed the process considerably. The Receiver recently served deposition notices to Israel Tzivin and Katherine Williams and will use responsive information to complete the financial statements. The Receiver also served subpoenas to over 10 financial institutions to obtain necessary information concerning the Receivership Entities, Mr. Tzivin, and Ms. Williams. The Receiver received responsive documents from Wells Fargo, TD Bank, JP Morgan Chase, Capital One, Optimum Bank, and Truist Bank and is still awaiting response to subpoenas from American Express. The Receiver has learned the Receivership Entities transacted through cryptocurrency and is investigating this avenue of recovery.

Upon completion of financial statements and pending discovery, the Receiver will work with his forensic accountants at KapilaMukamal, LP to confirm the bank reconstruction and prepare a report for the Court. The forensic analysis will assist in identifying litigation claims the Receiver can pursue for the benefit of creditors.

¹ The Receivership Entities include Priority Capital Solutions, Inc., KIT Holdings, Inc. Broad Capital Solutions, LLC, USD Funding, LLC

Estimated Balance Sheet as of March 17, 2024

- Cash
 - Receivership Trust Account: \$1,094,712.05
 - Optimum Bank: \$7,835.20
 - Wells Fargo: \$6,182.01
- MCA Assets²:
 - Deals syndicated through New Co. Capital Group: \$2,960,033
 - Deals syndicated through Reliable Fast Cash: \$609,509
 - Deals syndicated through Union Funding Source: \$171,000
 - Deals syndicated through Biz Fund: \$391,298
- Deals syndicated through Fox Business Funding: \$4,040
 - Deals directly funded by the Receivership Entities: \$5,470,040

NOTE: Of the MCA Assets, the Receiver is advised that 85% are in default.

Estimated liabilities: \$13,683,325

Collections and Disbursements

Income	
Recovery of Assets	1,220,660.57
Interest Income	.16
Total Income	1,220,660.73
Expense	
Accounting Costs	18,750.00
Bank Fee	474.99
Bank Wire Charge	240.00
Processing Fees	2,584.30
Professional Fees	61,516.67
Software Fee	7,124.36
Total Expense	90,690.32
Net Income	1,129,970.41

² The gross advances syndicated through other entities is higher. The amount stated is the Receivership Entities' percentage of the deal.

Claims Process

The Receiver intends to seek Court approval for a claims process. A motion will be filed within the next 14 days.

Litigation

The Receiver is currently investigating potential litigation claims. The Receiver has not yet made a final determination on litigation targets or causes of action.

Conclusion

There is a substantial amount of work yet to be completed. The Receiver and the Receiver's teams are diligently analyze the Receivership Entities' reconstructed books and records and to collect accounts and investigate litigation claims. The Receiver will continue to provide updates to the Court as additional information becomes available.

Respectively Submitted:



Seth Heller, Receiver

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