UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

COMMODITY FUTURES TRADING COMMISSION,

Plaintiff,

v. Case No: 6:23-cv-1445-WWB-DCI

RACHEL LARRALDE, as Personal Representative for the Estate of RENE LARRALDE, JUAN PABLO VALCARCE, BRIAN EARLY, ALISHA ANN KINGREY, and FUNDSZ,

Defendants.
____________________________________/

RECEIVER'S THIRD STATUS REPORT

Melanie E. Damian, the court-appointed Receiver in the above-captioned action, submits her third status report setting forth her activities and efforts to fulfill her duties from April 1, 2024 through December 31, 2024 (the "Reporting Period"), pursuant to the Court's Statutory Restraining Order and the Consent Preliminary Injunction Order.

I. INTRODUCTION

Since her appointment, the Receiver has worked diligently with her professionals to efficiently take control of the assets and records of Rene Larralde, Juan Pablo Valcarce, Brian Early, Alisha Ann Kingrey, and Fundsz (collectively, "Defendants" or the "Receivership Defendants") for the benefit of their investors and creditors in fulfillment of her duties under the Court's Orders. In particular, during the Reporting Period, the Receiver and her team investigated the purchase of Defendant Rene Larralde's residence (the "Larralde Residence") with the proceeds of liquidated cryptocurrency belonging to investors, sought a constructive trust over the Larralde Residence, secured insurance and arranged for necessary repairs to the Larralde Residence, paid property taxes on the Larralde Residence, filed a claim against Mr. Larralde's probate estate, assisted the CFTC in negotiating a global settlement with Rachel Larralde, as Personal Representative of the Estate of Rene Larralde, communicated with defrauded investors, and continued efforts to obtain required financial disclosures from Defendants Brian Early and Alisha Ann Kingrey, against which the Court, after the Reporting Period, entered an Order to show cause why the Court should not strike their Answers, direct the Clerk to enter default, and award the CFTC reasonable expenses for failure to comply with the Court's Orders [ECF No. 140].

II. THE APPOINTMENT AND DUTIES OF RECEIVER

In its August 2, 2023 Statutory Restraining Order (the "Statutory Restraining Order"), the Court appointed Melanie E. Damian, Esq. ("Receiver") as the Receiver over all assets of each Defendant and the affiliates and subsidiaries owned or controlled by any Defendant. The Court granted the Receiver complete power and authority over management and administration of the Receivership Defendants' assets. The Receiver was tasked with taking possession and control of all operations, assets, and records of the Receivership Defendants, including without limitation all real properties, entities, personal property, and accounts. Further, the Receiver was directed to diligently manage and safeguard the assets of the Receivership Defendants, ensuring they are not subject to execution or similar processes. Finally, the Receiver was charged with assuming full control of Fundsz by removing Defendants Rene Larralde, Juan Valcarce, Brian Early, and Alisha Ann Kingrey, and any officer, independent contractor, employee, or agent of the company, from control and management of its affairs. The Statutory Restraining Order required that the Receiver provide periodic reports summarizing her efforts to marshal and collect assets, administer the Receivership Estate, and otherwise perform duties mandated. *See* Statutory Restraining Order at p. 12.

The Statutory Restraining Order was subsequently temporarily extended by the Court in ECF No. 14 and then extended for the duration of this enforcement action by entry of the Consent Preliminary Injunction Order (the "Preliminary Injunction") over all Defendants [ECF No. 43].

III. <u>THE RECEIVER'S ACTIVITIES AND EFFORTS TO DATE</u>

A. Employment of Professionals

Immediately upon her appointment and review of relevant documents, the

Receiver conducted the necessary planning and determined her need to employ professionals to assist her in carrying out her duties and responsibilities under the Statutory Restraining Order.

Pursuant to the Statutory Restraining Order, the Receiver was provided with authority for "the retention and employment of . . . attorneys." *See* Statutory Restraining Order at p. 10. Accordingly, the Receiver engaged Damian Valori Culmo ("Receiver's Counsel") as her counsel to assist her to secure the Receivership Defendants' assets and accounts, communicate with financial institutions to freeze and take control of accounts and obtain information and records, investigate and marshal the Defendants' assets, and otherwise fulfill her duties under the Statutory Restraining Order. Also, to preserve records, the Receiver retained Oscar Delatorre, of CyberDiscovery.net, to forensically image Defendants' online and cloud-based accounts.

B. Obtaining Financial Records and Securing Assets

Following her appointment, the Receiver and Receiver's Counsel identified, sent freeze and turnover demand letters, and communicated with various financial institutions at which the Receivership Defendants held accounts. During a prior reporting period, the Receiver coordinated with Bank of America for the turnover to the Estate of funds totaling $113,151.46 and coordinated with Launch Credit Union the turnover to the Estate of funds totaling $1,322.56. The funds were deposited in the bank account the Receiver set up for this receivership held at City National Bank in Miami, Florida.

During the previous Reporting Period, the Receiver liquidated cryptocurrencies obtained from CEX.io and Exodus, totaling $2,705,728.91, and deposited the proceeds into the Receiver's fiduciary bank account at City National Bank.

Additionally, the Receiver worked with counsel for the cryptocurrency exchange Coinzoom to have the cryptocurrencies in Mr. Larralde's account, including 3,879.99 USDT, $119.44 USD, and 3.75 Zoom tokens, with a total value of $4,000.85 USD, transferred to the fiduciary account the Receiver had opened at Coinbase so they could be liquidated and the proceeds could be transferred to the Estate's fiduciary account at City National Bank. . Moreover, the Receiver continued working on having the$500 USD held in Mr. Larralde's digital wallet at Hero FX transferred to the Estate but was unable to gain access to the wallet due to his passing and the inherent security measures of cryptocurrency wallets, which require unique credentials or multi-factor authentication. Given the minimal balance in the wallet, the Receiver is exploring alternative avenues to gain control of these funds for the benefit of the Receivership Estate in the most cost-effective manner possible.

Further, during the Reporting Period, the Receiver continued her efforts to shut down the Fundsz Facebook account and private group and to stop Defendant Early's improper use of Facebook to solicit investors, including discussing the matter with Facebook's counsel and reporting any Fundsz pages on the Facebook platform. The Receiver may need to seek the Court's assistance in gaining control of the Facebook platform.

C. The Larralde Residence

During a prior reporting period, the Receiver visited, inspected, and inventoried Defendant Larralde's residence (the "Larralde Residence") located in Rockledge, Florida. The Larralde Residence was purchased for $1.9 million using investor funds. The Receiver conducted a tracing analysis of the funds used to purchase the Larralde Residence using Defendant Larralde's business records showing the transfer of investor cryptocurrency to Maxous LLC, purchase money transfer receipts from the title agent for the purchase of the Larralde Residence, and a production of statements and wire transfer receipts from the Maxous LLC bank account held at Bank of America. Pursuant to that tracing showing the purchase of the Larralde Residence with the proceeds of liquidated cryptocurrency taken from Fundsz investors' accounts, the Receiver made a demand that Ms. Larralde turn over the residence. The Receiver then filed her Motion for Turnover of and Imposition of Constructive Trust over the Larralde

Residence and to permit her to take custody of and liquidate the Larralde Residence. *See* ECF No. 107.

At this time, Ms. Larralde has moved out of the Larralde Residence and turned over the property to the Receiver. Ms. Larralde turned over the property in an uninhabitable condition with floorboards removed and garbage, feces, and maggots throughout the house. The Receiver had to employ a large cleaning crew to restore the property so that a realtor could enter the home and begin to prepare it for sale. The Receiver retained a local and experienced realtor in the Melbourne, Florida area to market the property for sale. Based on the preliminary market analysis performed by the realtor, the Receiver estimates that the Larralde Residence is worth approximately $1.7 million. And, the Receiver is not aware of any liens on the Residence. Thus, the Estate will recover all of the net proceeds from the sale of that Residence.

D. Cooperation of the Parties and Third Parties

1. Defendant Rachel Larralde, as Personal Representative of the Estate of Rene Larralde

During the Reporting Period, the Receiver worked with Ms. Larralde to obtain additional information regarding potential assets of the Estate, including cash, weapons located in a safe in the Larralde Residence, a personal watercraft docked at that property, and a trailer parked at the property. The Receiver also reviewed the records that the CFTC had acquired through the imaging of Mr.

Larralde's personal telephone and laptop computers. Through this review, the Receiver identified potential investors and assets that the Receiver is continuing to investigate.

2. Defendant Juan Valcarce

During the Reporting Period, the Receiver concluded that, based on various personal interviews and sworn financial disclosures, Defendant Valcarce has a limited amount of assets and an absence of any real property holdings. As previously detailed, the funds that were held in Mr. Valcarce's accounts were transferred to the Receiver's fiduciary account held at City National Bank. The Receiver does not believe any further investigation into Mr. Valcarce's assets is warranted.

3. Defendants Brian Early and Alisha Ann Kingrey

Pursuant to the Statutory Restraining Order and the Preliminary Injunction, the Receiver requested that Brian Early and Alisha Ann Kingrey provide detailed financial disclosures, which will assist in her efforts to identify and marshal assets of the Defendants. The Receiver sent numerous correspondence and a comprehensive financial disclosure and affidavit form to Defendants Early and Kingrey, but the Receiver has not received any response from either Defendant. Based on Defendants Early and Kingrey's failure to comply with the Receiver's and the CFTC's efforts to obtain the required disclosures, the Receiver does not expect compliance and supports the CFTC's motion for sanctions.

IV. INVENTORY OF ASSETS OF THE ESTATE

The assets of the Estate, of which the Receiver is aware, include:

A. Cash-on-Hand in Receiver's Fiduciary Account at City National Bank

a. $2,825,464.91 (consisting of assets from Bank of America, Launch Credit Union, cash found in Rene Larralde's small safe, and liquidated cryptocurrencies).

B. Assets Held in Digital Wallets at Cryptocurrency Exchanges

a. 3,879.99 Tether (USDT), $119.44 USD Coin (USDC), and 3.75 Zoom tokens, having a total value of $4,000.85, held in digital wallets at Coinzoom;

b. 1019.94499301 Tron (TRX) ($78.81), 0.00422978 BTT.OLD ($0.00), and 77.45466625 USDT.TRC20 ($77.37), with a total value of $156.17, held in digital wallets at Coin Payments, Inc.;

c. $500 USD held at Hero FX (the Receiver is working on gaining access to this cryptocurrency wallet to transfer the funds to the Receiver's fiduciary account for the Estate).

d. Minimal amounts of cryptocurrencies held in digital wallet at Exodus that cannot be transferred to the Receiver's fiduciary account at Coinbase because Coinbase does not support the cryptocurrencies and the Receiver has been locked out of Mr. Larralde's Exodus account (the Receiver is working on locating Mr. Larralde's seed phrases to attempt to regain access to account.);

C. Assets Owned by Rene Larralde or Certain Family Members

a. Larralde Residence - real property located at 5705 US Highway 1, Rockledge, Florida 32955 (Ms. Larralde turned this over to the Estate pursuant to a settlement with the Receiver and the CFTC, subject to Court approval.);

b. Yamaha VX Waverunner (Ms. Larralde abandoned this watercraft to the Estate when she vacated the Larralde Residence. The Receiver will attempt to sell this with the Larralde Residence.);

c. Kawasaki 1100 STX Jetski (Ms. Larralde abandoned this watercraft to the Estate when she vacated the Larralde Residence. It appears to be old, shows significant signs of wear, and is presumed to be non-operational, though a professional inspection has not yet been conducted. The Receiver will attempt to sell this watercraft with the Larralde Residence.);

d. Kawasaki Jetski (Ms. Larralde abandoned this watercraft to the Estate when she vacated the Larralde Residence. It appears to be old, shows significant signs of wear, and is presumed to be non-operational, though it has not yet been inspected or tested by a qualified professional. The Receiver will attempt to sell this watercraft with the Larralde Residence.);

e. Kawasaki Ultra 310 (Ms. Larralde abandoned this watercraft to the Estate when she vacated the Larralde Residence. It appears to be operational but has not yet been inspected or tested by a qualified professional. The Receiver will attempt to sell this watercraft with the Larralde Residence.);

f. Kawaski STX 15F 310 (Ms. Larralde abandoned this watercraft to the Estate when she vacated the Larralde Residence. It appears to be operational but has not been inspected or tested by a qualified professional. The

Receiver will attempt to sell this watercraft with the Larralde Residence.);

g. Sun Tracker 32 Party Cruiser 310 (Ms. Larralde abandoned this watercraft to the Estate when she vacated the Larralde Residence. It is in a state of significant disrepair, with the rear corner sinking, a destroyed interior, and an engine that is presumed to be non-functional, though it has not yet been inspected or tested by a qualified professional. The Receiver will attempt to sell this watercraft with the Larralde Residence.);

h. Triton trailer (Ms. Larralde will keep this trailer pursuant to a settlement with the Receiver and the CFTC, subject to Court approval.);

i. Trailerstars Trailer (Ms. Larralde will keep this trailer pursuant to a settlement with the Receiver and the CFTC, subject to Court approval.);

j. Three Water-Craft Trailers 310 (Ms. Larralde abandoned these trailers to the Estate when she vacated the Larralde Residence. The Receiver will attempt to sell them with the Larralde Residence.);

k. Ford Expedition (Ms. Larralde will keep this vehicle pursuant to a settlement with the Receiver and the CFTC, subject to Court approval.);

l. Large Elite Safe (Ms. Larralde is presumed to own this safe, however, Mr. Larralde's oldest son (from a prior marriage) claims to own it. The Receiver will evaluate any proof of ownership that he may provide, determine the rightful owner, and coordinate with such owner the removal from the Larralde Residence.);

m. Small Vevor Safe (The Estate will retain ownership of this safe, which was seized from the Larralde Residence during the initial execution of the Statutory Restraining

Order. Given the minimal estimated value of this safe, the Receiver will dispose of it in the most cost-effective manner possible.);

n. Bow and Arrows (2) Set (Ms. Larralde will keep this set pursuant to her claim that it is owned by her son and her settlement with the Receiver and the CFTC, subject to Court approval);

o. SuperNova Pump-Action Shotguns (Ms. Larralde claims that her son owns these firearms, however, Mr. Larralde's oldest son (from a prior marriage) also claims to own them. The Receiver will evaluate any proof of ownership that is provided, determine the rightful owner, and coordinate with such owner the removal from the Larralde Residence);

p. Mascon MCL02-P semiautomatic rifle (Ms. Larralde claims that her son owns this firearm, however, Mr. Larralde's oldest son (from a prior marriage) also claims to own them. The Receiver will evaluate any proof of ownership that is provided, determine the rightful owner, and coordinate with such owner the removal from the Larralde Residence.);

q. Baseball Card Collection (Ms. Larralde will keep this collection pursuant to her claim that it is owned by her son and her settlement with the Receiver and the CFTC, subject to Court approval.); and

r. Miscellaneous Audio and Video Equipment, including video-cassette players, digital video recorders, stereos, and speakers (Ms. Larralde will keep these items pursuant to her claim that they are owned by her son and her settlement with the Receiver and the CFTC, subject to Court approval.).

The Receiver did not take possession of the personal property contained in the Larralde Residence, other than the Vevor safe and its contents ($30,386 in cash).

Pursuant to an agreement between and among Ms. Larralde, the Receiver, and the CFTC, subject to Court approval, the Estate will retain the cash stored in safe, which the Receiver had deposited in the fiduciary account for the Estate shortly after taking possession of it.

D. Assets Owned by Defendant Juan Valcarce

a. The Receiver has not located any real property owned by Defendant Valcarce;

b. 2015 Gray Volkswagen S.

E. Assets Owned by Defendant Brian Early

a. The Receiver has not located any real property owned by Defendant Early. Mr. Early's last known address in the United States is 6762 Deanne Street, New Orleans, LA, 70126-2536, but the property appears to be owned by Annie M. Early, who is likely Mr. Early's mother or grandmother;

b. 2004 Mercedes owned by Defendant Early.

F. Assets Owned by Defendant Ashley Ann Kingrey

a. The Receiver has not located any real property owned by Defendant Kingrey;

b. 2001 Chevrolet owned by Defendant Kingrey.

V. <u>CASH-ON-HAND, RECEIPTS AND DISBURSEMENTS OF ESTATE</u>

As of December 31, 2024, the Receivership Estate held a total of $2,684,324.97 in cash-on-hand, in an interest-bearing fiduciary account that the Receiver opened for the Estate at City National Bank in Miami, Florida. A statement of the Estate's cash-on-hand and receipts during the Reporting Period, is attached hereto as **Exhibit A**.

The Receivership Estate incurred administrative expenses in the form of fees and costs of the Receiver and her counsel for the work they performed in connection with fulfilling the Receiver's duties under the Statutory Restraining Order and the Preliminary Injunction. During the Reporting Period, pursuant to the Court's Orders, the Receiver filed her Second Application for an Order Approving and Authorizing Payment of Fees and Expenses of Receiver and Her Professionals [ECF No. 102], covering the second reporting period of October 1, 2023 through March 31, 2024. The Court entered an Order [ECF No. 126] approving in part that Fee Application and the Receiver disbursed the approved fees and costs from her fiduciary account. Pursuant to the Statutory Restraining Order and the Preliminary Injunction, the Receiver will file a third application seeking approval of the fees and costs incurred by the Receiver and her professionals during this Reporting Period and for authority to pay such fees and costs from the funds the Receiver has marshaled and deposited into her fiduciary account since she was appointed.

VI. PLAN MOVING FORWARD

During the next reporting period, the Receiver will focus on marketing and liquidating the Larralde Residence to increase the amount of funds to be distributed to the Fundsz investors. The Receiver will also devise a reasonable and cost-effective claims process and distribution plan given the amount of funds to be distributed to the 14,000 potential claimants. The Receiver will carry out the foregoing and her other Court-appointed duties in the most cost-effective manner possible to maximize the value of the Estate's assets for the benefit of the investors.

VII. CONCLUSION

The Receiver and her professionals appreciate the opportunity to assist the Court in this matter and will continue their efforts, as discussed above, to fulfill the Receiver's duties under the Court's Orders.

Respectfully submitted this 4th day of February 2025.

Respectfully submitted,

/s/ Kenneth Dante Murena

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on February 4, 2025, the foregoing document was electronically filed through the CM/ECF system, which will provide electronic service upon all counsel of record, and by email to Defendants Brian Early (bearlyss@gmail.com) and Alisha Ann Kingrey (moneytrends4u@gmail.com).

/s/ Kenneth Dante Murena
Kenneth Dante Murena, Esq.

EXHIBIT A

Melanie E. Damian, Esq., as Receiver
DAMIAN & VALORI, LLP
1000 Brickell Avenue, Suite 1020
Miami, Florida 33131
STANDARDIZED FUND ACCOUNTING REPORT
CIVIL – RECEIVERSHIP FUND FOR CFTC v. FUNDSZ, ET AL.
Reporting Period 4/1/2024 to 12/31/2024

		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 4/1/2024):	$ -	$ -	**$2,825,464.91**
	Increases in Fund Balance:			
Line 2	Business Income	$ -	$ -	$ -
Line 3	Cash and Securities	$ -	$ -	$ -
Line 4	Interest/Dividend Income [1]	$ 53,262.97	$ 53,262.97	$ 53,262.97
Line 5	Business Asset Liquidation	**$ -**	**$ -**	**$ -**
Line 6	Personal Asset Liquidation	$ -	$ -	$ -
Line 7	Third-Party Litigation Income	$ -	$ -	$ -
Line 8	Miscellaneous - Other	$ -	$ -	$ -
	Total Funds Available (Lines 1-8):			**$ 2,878,727.88**
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Business Operations [1]	$ 25,752.69	$ 25,752.69	$ 25,752.69
Line 10a	Disbursements to Receiver or Other Professionals [1]	$ 168,650.22	$ 168,650.22	$ 168,650.22
Line 10b	Business Asset Expenses		$ -	
Line 10c	Personal Asset Expenses:	$ -	$ -	$ -
Line 10d	Investment Expenses	$ -	$ -	$ -
Line 10e	Third-Party Litigation	$ -	$ -	$ -
Line 10f	Tax Administrator Fees and Bonds	$ -	$ -	$ -
Line 10g	Federal and State Tax Payments	$ -	$ -	$ -
	Total Disbursements for Receivership Operations	$ 194,402.91	$ 194,402.91	**$ 194,402.91**
Line 11	Disbursements for Distribution Expenses Paid by the Fund:	$ -	$ -	$ -
Line 11a	Distribution Plan Development Expenses:	$ -	$ -	$ -
Line 11b	Distribution Plan Implementation Expenses:	$ -	$ -	$ -
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)			**$ 194,402.91**
Line 13	**Ending Balance (As of December 31, 2024)**			**$ 2,684,324.97**
Line 14	**Ending Balance of Fund – Net Assets:**			
Line 14a	Cash & Cash Equivalents			**$ 2,684,324.97**
Line 14b	Investments			**$ -**
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			**$ 2,684,324.97**

[1] Funds were received and disbursed to administer the Receivership Estate and its assets. See Receipts and Expenses in Attachment 1 hereto.

Respectfully submitted,

Damian Valori Culmo
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Miami, Florida 33131
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Facsimile: 305-371-3965

/s/ Melanie E. Damian
Melanie E. Damian
Court-Appointed Receiver

Attachment 1 to Exhibit A to Receiver's Report

CFTC v. Fundsz et al. - Receipts of Fiduciary Account

Date	From	Amount
6/30/2024	interest	$ 4,734.25
7/31/2024	interest	$ 9,781.50
8/31/2024	interest	$ 8,701.32
9/30/2024	interest	$ 8,003.91
10/31/2024	interest	$ 7,902.54
11/30/2024	interest	$ 6,990.98
12/31/2024	interest	$ 7,148.47
Total		**$ 53,262.97**

CFTC v. Fundsz et al - Expenses of Fiduciary Account

Date	Payable	Amount
4/11/2024	Stringray Electric	$ 2,168.90
6/5/2024	Cornetstone Masonry of Brevard	$ 820.00
9/20/2024	Bevard County Tax Collector	$ 22,748.79
9/20/2024	wire fee	$ 15.00
Total		$ 25,752.69

Professional Fees Fee App

5/13/2024	Damian Valori Culmo	$ 83,419.38
9/18/2024	Damian Valori Culmo	$ 85,230.84
Total		$ 168,650.22

GRAND TOTAL OF EXPENSES **$ 194,402.91**