

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 FOURTH STATUS REPORT

Melanie E. Damian, the court-appointed Receiver in the above-captioned action, submits her fourth status report setting forth her activities and efforts to fulfill her duties from January 1, 2025 through April 30, 2025 (the "Reporting Period").

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 Funds (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 assisted the CFTC in negotiating a global settlement with Rachel Larralde, as Personal Representative of the Estate of Rene Larralde, took possession of Defendant Rene Larralde's residence (the "Larralde Residence") and sold it for an amount exceeding its market value, resulting in the Estate recovering net proceeds in excess of \$1.75 million. As a result, the Estate is currently holding \$4,411,952.25 in cash in its fiduciary account.

In light of the present amount of funds in the Estate, the Receiver believes that commencement of the claims administration process (the "Claims Process") is appropriate at this time. During this Reporting Period, the Receiver formulated the Claims Process and prepared the motion to approve it, which motion was filed after the Reporting Period, is unopposed, and is ripe for adjudication. *See* ECF No. 161. If the Claims Process is approved, the Receiver proposes conducting an online Claims Process for all investors and creditors to determine each claimant's net loss suffered from investing in Fundsz. The Receiver will then ask the Court to approve her final determination of allowed claim amounts and her proposed distribution amount for each of the investors and creditors holding allowed claims. The Receiver intends to make one *pro rata* distribution of the funds in the Estate to claimants with allowed claims based on the allowed claim amount determinations made in that Claims Process.

Finally, during this Reporting Period, the Receiver communicated with defrauded investors and updated the receivership website with court filings and information to keep investors apprised of the status of the receivership and the CFTC enforcement action.

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 Funds 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. THE RECEIVER’S ACTIVITIES AND EFFORTS TO DATE

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. Most recently, the Receiver retained Stretto, Inc. as noticing and claims agent, to assist in formulating and administering the proposed, upcoming Claims Process.

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 with Launch Credit Union the turnover of funds totaling \$1,322.56. The funds were deposited in the fiduciary account the Receiver set up for this receivership at City National Bank in Miami, Florida. The Receiver also liquidated cryptocurrencies obtained from CEX.io and Exodus, totaling \$2,705,728.91, and deposited the proceeds into the Receiver's fiduciary 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.¹

C. The Larralde Residence

During a prior reporting period, the Receiver visited, inspected, and inventoried the Larralde Residence purchased for \$1.9 million using investor funds. The Receiver conducted a tracing analysis showing the Larralde Residence was purchased with the proceeds of liquidated cryptocurrency taken from Fundsz investors' accounts. The Receiver then made a demand that Ms. Larralde turn over that Residence and filed her Motion for Turnover of and Imposition of Constructive Trust over the Larralde Residence and for authority to take custody of and liquidate the Larralde Residence. *See* ECF No. 107.

Soon thereafter, pursuant to the agreement reached with the Receiver and the CFTC, Ms. Larralde moved out of the Larralde Residence and turned it over to the Receiver. Given that Ms. Larralde had turned over the property in an uninhabitable condition, the Receiver was required to carry out extensive cleaning

¹ Moreover, the Receiver continued working on having cryptocurrencies with a total value of \$156.17, held in digital wallets at Coin Payments, Inc. and 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 has determined that abandoning these cryptocurrency assets in the most cost-effective resolution of this issue.

and necessary repairs to comply with the property insurance policy requirements and prepare the property to be marketed for sale. The Receiver retained an experienced and reputable realtor to coordinate the cleaning and repairs and to market the property for sale. The Receiver recently closed on the sale of the Residence, netting the Estate sale proceeds in excess of \$1.75 million.

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 investigation of the ownership of personal assets is complete, and those assets were either liquidated or returned to Ms. Larralde.

2. Defendant Juan Valcarce

During the prior reporting period, the Receiver concluded that, based on various personal interviews and sworn financial disclosures, Defendant Valcarce had minimal assets and no 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 to assist in her efforts to identify and marshal assets of the Defendants. The Receiver sent numerous correspondences 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 those Defendants' 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 Report and Recommendation [ECF No. 142] that their Answers to the Amended Complaint be stricken, that the Clerk enter default against them [subsequently entered at ECF No. 155], and that the CFTC be awarded reasonable expenses, including attorneys' fees, incurred in filing the Motion for Sanctions against them.

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. \$4,411,952.25 (consisting of assets from Bank of America, Launch Credit Union, cash found in Rene Larralde's small safe, and liquidated real property and 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, which cryptocurrency was recently transferred to the Estate's wallet at Coinbase and will be liquidated shortly after the filing of this Report;
- 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., which account has been inaccessible since Mr. Larralde's death, and the Receiver has decided to abandon these minimal assets; and
- 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), which account has been inaccessible since Mr. Larralde's death, and the Receiver has decided to abandon these minimal assets.

C. Assets Owned by Rene Larralde or Certain Family Members

All personal property, including the watercraft, trailers, and a vehicle, owned by Mr. Larralde has either been sold with the Larralde Residence or returned to Ms. Larralde in accordance with the settlement between Ms. Larralde and the CFTC. The personal property, including weapons and ammunition, located in the Large Elite Safe in the garage of the Larralde Residence was stolen prior to Ms. Larralde's turnover of the Larralde Residence to the Receiver. Ownership of the contents of the safe was in dispute between Ms. Larralde and Ms. Edwards (Mr. Larralde's ex-wife). Although the Receiver did not claim an

ownership interest in that property, the Receiver was attempting to resolve the dispute prior to Ms. Larralde's turnover of the Larralde Residence. After taking possession of the Residence, the Receiver discovered that, prior to the turnover, someone had entered the Residence, blown a hole into the side of the safe, and taken all of its contents. The Receiver does not take a position on the ownership of that property and deems it abandoned to Ms. Larralde.

V. CASH-ON-HAND, RECEIPTS, AND DISBURSEMENTS OF ESTATE

As of April 30, 2025, the Receivership Estate held a total of \$4,411,952.25 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 Third Application for an Order Approving and Authorizing Payment of Fees and Expenses of Receiver and Her Professionals [ECF No. 148], covering the third reporting period of April 1, 2024 through December 31, 2024. The Court entered the Report and Recommendation

[ECF No. 160] granting in part that Fee Application and denying without prejudice the request for fees and costs of certain professionals. To conserve the Estate's resources, the Receiver, rather than refiling that Fee Application with evidence to support the denied request, will provide such evidence in the fourth application, which the Receiver will file pursuant to the Statutory Restraining Order and the Preliminary Injunction, 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. KNOWN INVESTORS AND CREDITORS

Receivership Defendants created, marketed, and operated Fundz as an online cryptocurrency trading platform. Receivership Defendants directed investors to transfer funds in the form of various cryptocurrencies to a Fundsz account purportedly held and traded in each investor's name. Based on the Receiver's review of Receivership Defendants' limited business records, the Receiver calculates that approximately 14,000 individuals and entities transferred cryptocurrency to Fundsz. That cryptocurrency was not maintained in individual investor accounts. Instead, it was commingled and used by Receivership Defendants for their own benefit, and much of it was lost in trading.

Since the commencement of this action, the Receiver has collected contact information and documentation from investors and compiled that information together with investor data contained in the Receivership Defendants' business records and from emails and telephone calls from investors. The Receiver has collected email addresses for 10,500 potential claimants such that they will receive electronic notice of this Claims Process and an opportunity to file a claim against the Estate. The Fundsz investor database showed approximately 10,200 open investor accounts as of the commencement of the receivership. Of those 10,200 investors, approximately 9,100 appear to have suffered a net loss of approximately \$15,700,000. The Receiver will verify these net loss calculations during the Claims Process as described the Receiver's motion to approve the Claims Process. Accordingly, the Receiver anticipates submission of a high volume of investor claims in this case. The Receiver is not aware of any non-investor creditors of Fundsz. Nevertheless, the Receiver will allow any creditors of Fundsz that properly submit a claim and supporting documentation to participate in this Claims Process. The Receiver may propose to subordinate creditor claims to investor claims after reviewing all claims submitted. The Receiver will deny all claims of investors or creditors of Receivership Defendants that are unrelated to the Fundsz scheme.

VII. PLAN MOVING FORWARD

During the next reporting period, the Receiver will administer the Claims Process for the 14,000 potential claimants of the Estate, followed by a distribution of nearly all funds of the Estate to claimants holding an allowed claim after the completion of the Claims Process. 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. Upon completion of the distribution to claimants holding allowed claims, the Estate will have minimal funds remaining, and the Receiver will move for authority to pay the final administrative expenses, complete the wind-down of the Estate, and terminate the receivership.

VIII. 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 19th day of May 2025.

Respectfully submitted,

/s/ Kenneth Dante Murena

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on May 19, 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
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Miami, Florida 33131

STANDARDIZED FUND ACCOUNTING REPORT
CIVIL – RECEIVERSHIP FUND FOR CFTC v. FUNDSZ, ET AL.
Reporting Period 1/1/2025 to 4/30/2025

		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 1/1/2025):	\$ -	\$ -	\$2,684,324.97
	Increases in Fund Balance:			
Line 2	Business Income	\$ -	\$ -	\$ -
Line 3	Cash and Securities [1]	\$ 1,756,111.91	\$ 1,756,111.91	\$ 1,756,111.91
Line 4	Interest/Dividend Income [1]	\$ 26,801.07	\$ 26,801.07	\$ 26,801.07
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):			\$ 4,467,237.95
	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	\$ -	\$ -	\$ -
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	\$ 55,285.70	\$ 55,285.70	\$ 55,285.70
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)			\$ 55,285.70
Line 13	Ending Balance (As of April 30, 2025)			\$ 4,411,952.25
Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 4,411,952.25
Line 14b	Investments			\$ -
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			\$ 4,411,952.25

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

Respectfully submitted,

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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. Funds et al. - Receipts of Fiduciary Account

Date	From	Amount
1/13/2025	Verify	\$ 0.01
4/24/2025	Escrow Agency - Sale of house	\$ 1,756,111.90
Total		\$ 1,756,111.91

Interest

Date	From	Amount
1/31/2025	interest	\$ 6,910.25
2/28/2025	interest	\$ 5,996.13
3/31/2025	interest	\$ 6,632.21
4/30/2025	interest	\$ 7,262.48
Total		\$ 26,801.07
GRAND TOTAL RECEIPTS		\$ 1,782,912.98

CFTC v. Funds et al - Expenses of Fiduciary Account

Date	Payable	Amount
1/13/2025	Chico Connor & Weissman Trust - payment to Ms. Larralde	\$ 3,584.03
1/13/2025	City of Cocoa Beach - utility	\$ 5,000.33
1/13/2025	FPL - electric	\$ 756.26
1/16/2025	FPL - electric	\$ 109.01
1/23/2025	Avante - Nea Insurance	\$ 15,338.12
1/24/2025	City of Cocoa Beach - utility	\$ 131.06
1/25/2025	Brevard Home Cleaning	\$ 1,095.00
2/14/2025	FPL - electric	\$ 53.52
2/21/2025	Reef Carpentry & Paint LLC	\$ 1,893.90
2/21/2025	Reynolds Air & Heat	\$ 2,359.00
2/24/2025	Blu Baboon Painting	\$ 5,607.00
2/24/2025	Rossmann Bravo/Landscaping	\$ 4,330.00
3/6/2025	Floor Repair	\$ 750.00
3/6/2025	Floor Repair	\$ 45.00
3/7/2025	City of Cocoa Beach - utility	\$ 28.93
3/10/2025	Incredipools - pool repair	\$ 878.00
3/11/2025	Blu Baboon Painting	\$ 5,607.00
3/14/2025	FPL - electric	\$ 131.98
3/19/2025	Incredipools - pool service	\$ 150.00
3/25/2025	Rossmann Bravo/Landscaping	\$ 300.00
3/28/2025	Realtor/Flooring Material	\$ 682.72
4/1/2025	Avante - Nea Insurance	\$ 6,061.30
4/2/2025	City of Cocoa Beach - utility	\$ 169.98
4/14/2025	FPL	\$ 148.56
4/17/2025	Incredipools - pool service	\$ 75.00
Total		\$ 55,285.70
GRAND TOTAL OF EXPENSES		\$ 55,285.70