

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

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

RENE LARRALDE, JUAN PABLO
VALCARCE, BRIAN EARLY, ALISHA
ANN KINGREY, and FUNDSZ,

Defendants.

RECEIVER'S SECOND STATUS REPORT

Melanie E. Damian, the court-appointed Receiver in the above-captioned action, submits her second status report setting forth her activities and efforts to fulfill her duties from October 1, 2023 through March 31, 2024 (the "Reporting Period"), pursuant to the Court's Statutory Restraining 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 Statutory Restraining Order. In particular, during the Reporting Period, the Receiver and her team opened a fiduciary cryptocurrency wallet at Coinbase (the "Fiduciary Wallet"), identified, marshaled, and transferred cryptocurrencies, worth approximately \$2.7 million, to the Fiduciary Wallet, liquidated the cryptocurrencies and transferred the proceeds to the Receiver's fiduciary

account for the Estate, secured insurance for the residence of Defendant Rene Larralde (the “Larralde Residence”) which is a potential asset of the estate, arranged for necessary repairs to the Larralde Residence, communicated with defrauded investors, and continued efforts to communicate with and obtain the required financial disclosures from Defendants Brian Early and Alisha Ann Kingrey, who have objected to the Court’s personal jurisdiction and are living outside the United States.

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 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.

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.

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 the previous 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, CEO.IX, a cryptocurrency exchange and wallet located in Lithuania, froze accounts containing approximately \$1,984,662 worth of Tether (USDT)

and USD Coin (USDC). And, Receiver's Counsel took control of Defendant Larralde's digital wallet at Exodus containing various cryptocurrencies valued at approximately \$700,000. During the Reporting Period, these cryptocurrencies were transferred to the Receiver's Fiduciary Wallet at Coinbase and subsequently liquidated. The proceeds of the liquidation of the cryptocurrencies at CEX.io and Exodus, totaling \$2,705,728.91, were deposited in the Receiver's fiduciary bank account at City National Bank.

Additionally, the Receiver identified Coinzoom accounts containing 3,879.99 USDT, \$119.44 USD, and 3.75 Zoom tokens, having a total value of \$4,000.85 USD, and identified \$500 USD held at Hero FX. The Receiver is in the process of transferring the cryptocurrencies to the Fiduciary Wallet.

During the previous reporting period, the Receiver reported that she identified 57,697.13 USD Coin (USDC) held in a digital wallet at Cryptohero. Upon further investigation, the Receiver confirmed that the USDC was not real but instead was intended to be used on CryptoHero's paper exchange as a means of learning to trade.

During the Reporting Period, upon learning that Defendant Early was accessing and utilizing a Fundsz Facebook page and group account to communicate with and solicit investors, the Receiver issued a demand letter to Facebook requesting that it turn over control of that account and any associated accounts. The Receiver also sent a cease-and-desist letter to Defendant Early demanding that he discontinue posting on the Fundsz Facebook page. Defendant Early has not responded to the Receiver. After the Reporting Period, the Receiver continued her efforts to shut down the Fundsz Facebook accounts, 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 Rene Residence

During the previous 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 will file an appropriate motion to permit her to take custody and liquidate the Larralde Residence once Ms. Larralde appears as personal representative and the Estate is represented, as more fully set forth below.

During the Reporting Period, the Receiver was able to secure insurance for the Larralde Residence. As a condition of coverage, the insurance company required a complete replacement of an electrical panel. The Receiver engaged the services of Stingray Electric and Controls, LLC ("Stingray Electric") to perform the repair. Stingray Electric obtained the necessary permits, which were approved, and the Receiver scheduled an appointment with Florida Power & Light (FPL), which was necessary to perform the repair, for April 9, 2024 when Stingray Electric was to complete repair. The repair was completed on schedule and the Receiver notified the insurance carrier to ensure continued coverage for the Larralde Residence.

At this time, Larralde's widow, Rachel Larralde, is living in the Larralde Residence and has not yet agreed to turn over the property to the Estate and/or to allow the Receiver to market the property for sale. Moreover, Ms. Larralde intends to administer the transfer of title to the Larralde Residence through a probate estate for Rene Larralde that she filed on December 20, 2023, pending in Brevard County, Florida, Case Number: 05-2023-CP-059606-XXXX-XX. The Receiver will seek to have this Court compel the turnover to the Receiver of the Larralde Residence which became an asset of the Estate pursuant to the Statutory Restraining Order, prior to the death of Mr. Larralde. *See* ECF No. 11 at Sec. ¶ VI. Upon information and belief, the Larralde

Residence is worth approximately \$2 million, and the Receiver is not aware of any liens on the Residence. Thus, the liquidation of that Residence will produce approximately \$2 million for the Estate.

D. Cooperation of the Parties and Third Parties

Defendant Rene Larralde and Non-Party Ms. Larralde

The Receiver was informed on September 6, 2023, that Defendant Rene Larralde had passed. Prior to his passing on September 6, 2023, the Receiver, while executing on the Statutory Restraining Order, had the opportunity to interview Mr. Larralde, who cooperated in providing the Receiver with the location of certain cryptocurrency wallets and confirming the use of investor cryptocurrency to purchase the Larralde Residence. In addition, counsel for Defendant Rene Larralde provided the Receiver background information regarding Mr. Larralde's real property, personal property, and assets.

During the Reporting Period, the Receiver worked with Mr. Larralde's widow to obtain additional information on potential assets, including confirming that there was no insurance on Mr. Larralde's life.

During the Reporting Period, the Receiver reviewed the records that the CFTC acquired through the imaging of Mr. Larralde's personal telephone and laptops. Through this review, the Receiver identified potential investors and assets that the Receiver is continuing to investigate.

Defendant Juan Valcarce

During the Reporting Period, the Receiver requested that Defendant Valcarce provide detailed financial disclosures, as required by the Statutory Restraining Order. Mr. Valcarce, acting through his legal representative, complied with the Receiver's request by providing detailed financial disclosures. These disclosures shed light on Mr. Valcarce's financial standing, including

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. During the Reporting Period, the Receiver's counsel also interviewed Mr. Valcarce's ex-wife in an effort to identify additional assets.

Defendants Brian Early and Alisha Kingrey

Pursuant to the Statutory Restraining Order, the Receiver requested that Brian Early and Alisha 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 affidavit and disclosure form to Defendants Early and Kingrey, but the Receiver has not received any response from either Defendant. If the Court denies their respective motions to dismiss for lack of subject matter jurisdiction, the Receiver will file a motion to compel their financial disclosures and for an order to show cause why they should not be held in contempt of court for failing to comply with the Statutory Restraining Order.

IV. INVENTORY OF ASSETS OF THE ESTATE

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

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).

Assets Held in Digital Wallets at Cryptocurrency Exchanges

- a. Approximately \$8,000 in various forms of cryptocurrency held at Exodus under the control of the Receiver;
- b. 3,879.99 Tether (USDT), \$119.44 USD Coin (USDT), and 3.75 Zoom tokens, having a total value of \$4,000.85, held in digital wallets at Coinzoom;
- c. 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.;

- d. \$500 USD held at Hero FX.

Assets Previously Owned by Defendant Rene Larralde

- a. The Larralde Residence. - real property located at 5705 US Highway 1, Rockledge, Florida 32955;
- b. Triton trailer;
- c. Yamaha VX Waverunner;
- d. Kawasaki 1100 STX Jetski;
- e. Kawasaki Jetski;
- f. Kawasaki Ultra 310;
- g. Kawasaki STX 15F;
- h. Sun Tracker 32 Party Cruiser;
- i. Ford Expedition;
- j. Trailerstars Trailer;
- k. Large Elite Safe;
- l. Small Vevor Safe;
- m. Bow and Arrow (2) (Receiver is investigating Ms. Larralde's claim that these are owned by her son);
- n. SuperNova Pump-Action Shotguns (Receiver is investigating Ms. Larralde's claim that these are owned by her son);
- o. Mascon MCL02-P semiautomatic rifle (Receiver is investigating Ms. Larralde's claim that this is owned by her son);
- p. Baseball Cards (Receiver is investigating Ms. Larralde's claim that these are owned by her son); and
- q. Miscellaneous video-cassette players, DVRs, Speakers, and Radios (Receiver is investigating Ms. Larralde's claim that these are owned by her son).

The Receiver has not taken possession of the personal property contained in the home, other than the Vevor safe and its contents (\$30,386 in cash). Receiver's Counsel and Ms. Larralde's counsel are working on a plan to liquidate the more valuable personal property listed above and on confirming Ms. Larralde's claims that her son owns certain of the property (as noted above).

Assets Owned by Defendant Juan Valcarce

- a. The Receiver has not located any real property owned by Defendant Valcarce;
- b. 2015 Gray Volkswagen S.

Assets Owned by Defendant Brian Early

- a. The Receiver has not located any real property owned by Defendant Early. Mr. Early (to the extent he is in the U.S.) resides at 6762 Deanne Street, New Orleans, LA, 70126-2536, but the property appears to be owned by Annie M. Early, likely Mr. Early's mother or grandmother; and
- b. 2004 Mercedes owned by Defendant Early.

Assets Owned by Defendant Ashley Kingrey

- a. The Receiver has not located any real property owned by Defendant Kingrey; and
- b. 2001 Chevrolet owned by Defendant Kingrey.

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

As of March 31, 2024, the Receivership Estate held a total of \$2,825,464.91 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. During the Reporting Period, pursuant to the Statutory Restraining Order and the Court's January 11, Order, the Receiver filed her Amended First Application for an Order Approving and Authorizing Payment of Fees and Expenses of Receiver and Her Professionals [ECF No. 82], covering the initial reporting period of August 2, 2023 through September 30, 2023. Counsel for the CFTC and counsel for Defendant Valcarce confirmed that they have no objection to that Application, no other Defendant has filed or otherwise indicated any objection thereto, and it is ripe for this Court's determination. Pursuant to the Statutory Restraining Order, the Receiver will file a second 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 continue her efforts to identify and gain control of or otherwise secure any and all valuable assets of the Defendants and to otherwise fulfill her duties under the Statutory Restraining Order. The Receiver's priorities include obtaining possession of and liquidating the Larralde Residence and Mr. Larralde's personal property to increase the amount of funds to be distributed to the Funds investors. The Receiver also intends to 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 assets of the Estate for the benefit of 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 Statutory Restraining Order.

Respectfully submitted this 12th day of April 2024.

Respectfully submitted,

/s/ Kenneth Dante Murena

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CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that on April 12, 2024, the foregoing document was electronically filed with the Florida Court's E-Filing Portal which will provide electronic service upon all counsel of records.

/s/ Kenneth Dante Murena

Kenneth Dante Murena

EXHIBIT A

Melanie E. Damian, Esq., as Receiver
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STANDARDIZED FUND ACCOUNTING REPORT
CIVIL – RECEIVERSHIP FUND FOR CFTC v. FUNDSZ, ET AL.
Reporting Period 10/1/2023 to 3/31/2024

		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 10/1/2023):	\$ -	\$ -	\$136,546.33
	Increases in Fund Balance:			
Line 2	Business Income	\$ -	\$ -	\$ -
Line 3	Cash and Securities	\$ -	\$ -	\$ -
Line 4	Interest/Dividend Income	\$ -	\$ -	\$ -
Line 5	Business Asset Liquidation [1]	\$ 2,705,832.60	\$ 2,705,832.60	\$ 2,705,832.60
Line 6	Personal Asset Liquidation	\$ -	\$ -	\$ -
Line 7	Third-Party Litigation Income	\$ -	\$ -	\$ -
Line 8	Miscellaneous - Other	\$ -	\$ -	\$ -
	Total Funds Available			\$ 2,842,378.93
	(Lines 1-8):			
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Business Operations [1]	\$ 16,914.02	\$ 16,914.02	\$ 16,914.02
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	\$ 16,914.02	\$ 16,914.02	\$ 16,914.02
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)			\$ 16,914.02
Line 13	Ending Balance (As of March 31, 2024)			\$ 2,825,464.91
Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 2,825,464.91
Line 14b	Investments			\$ -
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			\$ 2,825,464.91

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

Attachment 1 to Exhibit A to Receiver's Initial Report**CFTC v. Funds et al. - Receipts of Fiduciary Account**

Date	From	Amount
10/13/2023	Refund of service fee	\$ 103.69
1/19/2024	Coinbase	\$ 216,617.03
1/22/2024	Coinbase	\$ 650,000.00
1/22/2024	Coinbase	\$ 787,284.06
1/24/2024	Coinbase	\$ 778,804.43
1/30/2024	Coinbase	\$ 273,023.39
Total of Receipts		\$ 2,705,832.60

CFTC v. Funds et al - Exepnses of Fiduciary Account

Date	Payable	Amount
10/13/2023	Coinbase	\$ 1,000.00
11/8/2023	Coinbase	\$ 1.00
12/8/2023	CyberDiscovery	\$ 380.00
1/23/2024	Avante Nea Insurance	\$ 15,533.02
Total of Expenses		\$ 16,914.02