

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 23-22791-CV-WILLIAMS

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

BRENT SEAMAN, *et al.*,

Defendants.

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**RECEIVER'S SECOND STATUS REPORT**

Melanie E. Damian, as the court-appointed Receiver (the "Receiver") for Accanito Capital Group, LLC ("Accanito Capital"), Accanito Holdings, LLC ("Accanito Holdings"), Accanito Equity, LLC, Accanito Equity II, LLC, Accanito Equity III, LLC, Accanito Equity IV, LLC, Surge LLC, and Relief Defendant, Surge Capital Ventures, LLC ("SCV") (collectively, the "Receivership Defendants"), submits her Second Status Report concerning the status of the Receivership for the period from January 1, 2024 to March 31, 2024 (the "Reporting Period").

**TABLE OF CONTENTS**

I. INTRODUCTION ..... 4

II. COMMENCEMENT OF ENFORCEMENT ACTION  
AND APPOINTMENT OF RECEIVER ..... 5

III. SUMMARY OF THE OPERATIONS OF RECEIVER  
AND EFFORTS TO IMPLEMENT APPOINTMENT ORDER ..... 7

A. Receiver’s Initial Effort to Marshal and Preserve  
Assets and Records and Employment of Professionals ..... 7

B. Obtaining Information and Records from Defendants..... 8

C. Recovery of Receivership Defendants’ Records  
and Assets from Third Parties..... 9

1. Recovery of Funds Held at BMO Harris ..... 10

2. Securing Personal Property of the  
Receivership Defendants ..... 10

i. Recovery of Jewelry from Jana Seaman..... 10

3. Imaging of Digital Devices..... 12

4. Imaging of Email, Cloud Computing, and  
Third Party Accounts ..... 12

D. Investigation of Receivership Defendants’ Business  
Operations and Uses of Investor Funds ..... 13

1. The SEC’s Complaint ..... 13

2. Receivership Defendants’ Use of Investor  
Funds..... 13

a. Personal Expenses and Transfers  
to Insiders..... 14

b. Trading Losses ..... 14

c. Corporate Ownership Interests ..... 16

IV. CASH ON HAND AND ACCRUED EXPENSES OF ESTATE ..... 18

V. KNOWN PROPERTY OF THE RECEIVERSHIP ESTATE..... 18

VI. LIQUIDATED AND UNLIQUIDATED CLAIMS OF  
THE RECEIVERSHIP ESTATE..... 19

VII. KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE ..... 20

VIII. RECEIVER’S RECOMMENDATION ..... 21

CERTIFICATE OF SERVICE ..... 22

## I. INTRODUCTION

Receivership Defendants are a group of affiliated companies that were owned and controlled by Defendant Brent Seaman. The Accanito Equity Receivership Defendants were used to collect over \$33 million in investor deposits to purchase ownership interests in startup companies. Those investor deposits were then transferred to Receivership Defendants Accanito Capital, Accanito Holdings, and Surge LLC where nearly all investor funds were spent on Defendant Seaman and his family's personal expenses and lavish lifestyle, exorbitant operating costs, high-risk trading losses, and ownership interests in four small companies, three of which do not produce any revenues for the Receivership Defendants.

Upon her appointment as Receiver on October 27, 2023, Ms. Damian took possession, custody, and control of all previously identified funds, assets, and records of the Receivership Defendants (collectively, the "Estate"). She also employed legal counsel, forensic accountants, and a forensic IT professional to preserve all books and records of the Receivership Defendants and to identify and investigate potential assets of the Estate held by third parties in accordance with the Appointment Order.

In particular, the Receiver froze and transferred to the Estate all funds held in the Receivership Defendants' bank accounts totaling \$1,929,042.41. In addition, the Receiver collected \$1,241,280 in disgorgement payments from Relief Defendants Jana Seaman ("Ms. Seaman") and Valo Holdings Group, LLC ("Valo") and \$10,000 from Defendants' counsel's trust account. A full accounting of the Receivership Estate's receipts and disbursements is attached hereto as **Exhibit A**. The Receiver collected jewelry purchased by Surge LLC for \$328,409.43 from Jana Seaman and began her efforts to sell that jewelry.

The Receiver also worked with her forensic IT professional to image and review all records on the Receivership Defendants' three computers and backup copies of the Receivership Defendants' QuickBooks files. The Receiver worked with her forensic accountants to prepare a bank account reconstruction for all of the Receivership Defendants' accounts. She also reviewed the Receivership Defendants' records and investors' records and made a preliminary assessment of the total investor deposits into the Accanito scheme, the transfers out, and the uses of investor funds. The Receiver also identified investors who received back amounts in excess of the amounts they had invested (*i.e.*, they received net gains at the expense of other defrauded investors) and/or insiders and third parties that participated in and/or benefitted from the scheme. The Receiver sent demand letters to approximately ten (10) third parties and investors who received net gains, seeking the return of investor funds.

Finally, the Receiver reviewed the Receivership Defendants' business records to investigate the Receivership Defendants' ownership interests in four small companies and the potential value of those interests. The Receiver has quantified the outstanding debts owed to the Receivership Defendants by certain of those small companies, and she will pursue collection of those debts. The Receiver has demanded payment of outstanding distributions and turnover of corporate ownership and financial records from Surge Trader LLC and is reviewing the records produced by Surge Trader LLC. The Receiver will continue her efforts to maximize the value of the Estate's ownership interests in those companies.

## **II. COMMENCEMENT OF ENFORCEMENT ACTION AND APPOINTMENT OF RECEIVER**

On June 27, 2023, the Securities Exchange Commission ("SEC") filed the Complaint for Injunctive and Other Relief and Demand for Jury Trial against individual Defendant Brent Seaman ("Seaman") and the Receivership Defendants commencing the enforcement action (the

“Enforcement Action”) for violations of securities laws. *See* ECF No.1. Then the SEC filed its Unopposed Motion for Asset Freeze [ECF No. 4] and Agreed Motion and Memorandum of Law for Appointment of Receiver [ECF No. 5]. The Court granted both Motions on October 27, 2023. *See* ECF No. 17 and 18, respectively. In the October 27, 2023 Appointment Order, the Receiver was appointed over the Receivership Defendants and charged with carrying out the mandates of that Order. *See* ECF No. 18.

Also on October 27, 2023, the SEC filed Plaintiff’s Unopposed Motion for Entry of Judgments Against Defendants Brent Seaman; Accanito Equity LLC; Accanito Equity II, LLC; Accanito Equity III, LLC; Accanito Equity IV, LLC; Accanito Capital Group, LLC; Surge, LLC; and Accanito Holdings [ECF No. 6], attaching the following consents for entry of judgment:

- (1) Consent of Defendant Bren Seaman [ECF No. 6-1]
- (2) Consent of Defendant Accanito Equity, LLC [ECF No. 6-2]
- (3) Consent of Defendant Accanito Equity II, LLC [ECF No. 6-3]
- (4) Consent of Defendant Accanito Equity III, LLC [ECF No. 6-4]
- (5) Consent of Defendant Accanito Equity IV, LLC [ECF No. 6-5]
- (6) Consent of Defendant Accanito Capital Group, LLC [ECF No. 6-6]
- (7) Consent of Defendant Surge, LLC [ECF No. 6-7]
- (8) Consent of Defendant Accanito Holdings, LLC [ECF No. 6-8]

On January 9, 2024, during the Reporting Period, this Court entered the following final judgments:

- (1) Final Judgment as to Defendant Accanito Capital Group, LLC [ECF No. 43]
- (2) Final Judgment as to Defendant Accanito Equity II, LLC [ECF No. 44]
- (3) Final Judgment as to Defendant Accanito Equity III, LLC [ECF No. 45]

- (4) Final Judgment as to Defendant Accanito Equity IV, LLC [ECF No. 46]
- (5) Final Judgment as to Defendant Accanito Equity, LLC [ECF No. 47]
- (6) Final Judgment as to Defendant Accanito Holdings, LLC [ECF No. 48]
- (7) Final Judgment as to Defendant Brent Seaman [ECF No. 49]
- (8) Final Judgment as to Defendant Surge, LLC [ECF No. 50]

In addition, during the Reporting Period, the Receiver and the SEC negotiated a consent and final judgment including a disgorgement amount of \$1,717,717 plus prejudgment interest for Relief Defendant SCV. On March 4, 2024, the SEC filed its Motion to Stay Case for 90 days while the SEC Commissioners consider the proposed judgments as to SCV and Defendant Seaman. *See* ECF Nos. 58. The Court granted the stay of the enforcement aspects of this Case [ECF No. 59], pending final approval of the proposed judgments by the SEC Commissioners.

### **III. SUMMARY OF THE OPERATIONS OF RECEIVER AND EFFORTS TO IMPLEMENT APPOINTMENT ORDER**

#### **A. Receiver's Initial Efforts to Marshal and Preserve Assets and Records and Employment of Professionals**

Pursuant to the Appointment Order, the Receiver was granted all powers, rights, and control over the Receivership Defendants previously held by their former management. *See* ECF No. 18, at § 2. In particular, the Receiver was authorized:

- To use reasonable efforts to determine the nature, location, and value of all property interests of the Receivership Defendants.
- To take custody, control, and possession from third parties of all Receivership Property and records relevant thereto from the Receivership Defendants.
- To manage, control, operate, and maintain the Receivership Estate and hold in her possession, custody, and control all Receivership Property, pending further Order of this Court.
- To use Receivership Property for the benefit of the Receivership

Estate, making payments and disbursements, and incurring expenses as may be necessary or advisable in the ordinary course of business and discharging her duties as Receiver.

- To engage and employ persons in her discretion to assist her in carrying out her duties and responsibilities hereunder.

*See id.*

Prior to the commencement of this Receivership, the Receiver had served as Corporate Monitor of the Receivership Defendants and had identified and preserved certain bank accounts, trading account cash balances, and ownership interests in small companies. Upon her appointment by this Court, the Receiver took possession, custody, and/or control of those identifiable assets and began her investigation of additional records, assets, and claims against insiders and third parties as detailed herein.

#### **B. Obtaining Information and Records from Defendants**

Paragraphs 8-12 of the Appointment Order require Defendants to turn over certain financial and other information regarding the Receivership Defendants' assets and operations to the Receiver and the SEC. *See* ECF No. 18 at pp. 4-6. During the Reporting Period, the Receiver analyzed the following documents received from third parties pursuant to subpoenas issued by the Receiver in this case:

- Third Party productions from various banks, trading platforms and corporate entities that received funds from Receivership Defendants;
- QuickBooks files for Accanito Capital, Accanito Holdings, Surge LLC and SCV (these are the only Receivership Defendants that maintained records in QuickBooks);
- Accanito Capital's supporting documentation for the account statements for checking account held at BMO Harris Bank;
- Surge LLC's supporting documentation for the account statements for checking account held at BMO Harris Bank;



- Accanito Holdings' supporting documentation for the account statements for checking account held at BMO Harris Bank;
- Accanito Equity's supporting documentation for the account statements for checking account held at BMO Harris Bank;
- Accanito Equity II's supporting documentation for the account statements for checking account held at BMO Harris Bank;
- Accanito Equity III's supporting documentation for the account statements for checking account held at BMO Harris Bank;
- Accanito Equity IV's supporting documentation for the account statements for the checking account held at BMO Harris Bank;
- Accanito Account Statements and Operating Agreements sent to investors for the various Accanito Equity Funds;
- Midland Trust account statements for contributions made from investor IRAs administered by Midland Trust; and
- Inquiries, claims and supporting documents sent to the Receiver by investors concerning their respective investments in the various Accanito Equity companies.

The Receiver also engaged in discussions with various investors concerning their investment in the Receivership Defendants and their knowledge of the operation of the scheme, the nature and location of assets, and representations made to them concerning Defendants' purchase of equity interests and other assets.

**C. Recovery of Receivership Defendants' Records and Assets from Third Parties**

During the initial reporting period, the Receiver issued demand letters and/or subpoenas to all financial institutions listed on the Asset Freeze Order [ECF No. 17] and to professionals and other service providers with which the Receivership Defendants had dealings from June 2019 until September 2022 according to the SEC's Complaint (the "Relevant Period"), requesting the freezing and turnover of accounts and the production of records. During the Reporting Period, the

Receiver engaged in ongoing communications with those third parties to demand full compliance with the Receiver's demand letters and subpoenas. *See* ECF No. 18.

**1. Recovery of Funds Held at BMO Harris**

The Receiver also recovered an additional \$37,195.45 from Receivership Defendants' BMO Harris accounts which had been transferred to the Receivership Defendants by Surge Trader LLC after the account freeze.

**2. Securing Personal Property of the Receivership Defendants**

In addition to recovering the bank account balances listed above, the Receiver secured the Receivership Defendants' personal property, which includes jewelry purchased by Surge LLC, and ownership interest in four small companies.

**i. Recovery of Jewelry from Jana Seaman**

During the Reporting Period, Jana Seaman turned over to the Receiver the following seven items of jewelry purchased for \$328,409.43 by Surge LLC using investor funds:

1. White Gold and Diamond Hoop Earrings
  - Description: 18k white gold hoop earrings with 288 round cut diamonds inside and out with 6.23ctw, G-H Color, VS2-SI1 Clarity
  - Purchase Price: \$11,688.68
2. White Gold and Diamond Tennis Bracelet
  - Description: 14k white gold tennis bracelet with 31 round brilliant diamonds with 12.40ctw, H/I Color, VS-SI Clarity
  - Purchase Price: \$22,000.00
3. Yellow Gold and Diamond Hoop Earrings
  - Description: 14k yellow gold in and out diamond hoop earrings with 3.00ctw of diamonds
  - Purchase Price: \$4,000.00
4. Yellow Gold Rolex Watch

- Description: 18k yellow gold Rolex 36mm DateJust with jubilee bracelet
  - Purchase Price: \$23,820.75
5. White Gold Diamond Ring
- Description: 18k white gold Christopher Designs diamond band with 5 Crisscut L'amour diamonds with 3.09ctw, E Color, VS Clarity and 64 small round diamonds totaling 0.61ctw
  - Purchase Price: \$28,400.00
6. Platinum Diamond Ring
- Description: Platinum diamond ring containing one radiant cut diamond with 6.98ctw and 67 round side diamonds totaling 0.47ctw
  - Purchase Price: \$153,500.00
7. Platinum Diamond Eternity Band
- Description: Platinum shared prong tiger claw set eternity band with 12.43ctw of round diamonds
  - Purchase Price: \$85,000.00.

The Receiver immediately began working to sell these items and will make every effort to sell the jewelry in the manner that will bring in the highest return for the Estate.

In addition to the bank account balances and jewelry, the Receiver has also taken control of Receivership Defendant Accanito Capital Group LLC's ownership interests in Surge Trader LLC (which Surge Trader LLC claims is 5%), 99% ownership interest in Blue Diamond Home Solutions Dallas LLC, and 5% ownership interest in Blue Diamond Home Solutions LLC. The Receiver, together with her forensic accountants, continues to investigate these ownership interests, whether they are an accurate representation of the Receivership Defendants' ownership in these entities, whether the entities have assets that are property of the Receivership Estate, and whether these corporate interests may be liquidated to benefit the Estate. And, the Receiver has demanded that Surge Trader LLC make all due and owing monthly distribution payments to the Estate, which have remained outstanding since December 2023. Surge Trader LLC's principals

claim that Surge Trader LLC does not have sufficient income to make any distributions to shareholders such as Accanito Capital. The Receiver is investigating Surge Trader LLC's activities and representations.

### **3. Imaging of Digital Devices**

The Receiver is now reviewing the forensic images of the two laptops, one desktop computer, and a box of hard copy files obtained from the Receivership Defendants' office for purposes of investigating the Defendants' business operations and dealings with investors related to the subject of the SEC's Complaint, identifying, and locating assets of the Defendants, and otherwise fulfilling her obligations under the Appointment Order.

### **4. Imaging of Email, Cloud Computing, and Third-Party Accounts**

The Receiver's forensic IT professional imaged Receivership Defendants' QuickBooks accounts for Accanito Capital, Accanito Holdings, Surge LLC, and SCV. Those QuickBooks files have been transferred to the Receiver's forensic accountant who analyzed them, together with the bank account and trading statements and back-up documents received from Defendant Seaman, investors, BMO Harris, and the online trading platforms, to create a reconstruction of Receivership Defendants' financial transactions during the Relevant Period. That bank account reconstruction will be used to identify, formulate, and assert claims against third parties and investors with net gains to recover funds of the Estate and/or traceable to defrauded investors and to determine the Receivership Defendants' ownership interest in various companies and assets, as well as ultimately to assist in a future claims and distribution plan.

**D. Investigation of Receivership Defendants' Business Operations and Uses of Investor Funds**

**1. The SEC's Complaint**

In its Complaint, the SEC alleges that from at least June 2019 until September 2022 (the Relevant Period) Defendant Seaman and the Receivership Defendants raised approximately \$35 million from approximately 60 investors. To carry out the scheme, Defendant Seaman and the Receivership Defendants promised investors guaranteed returns and that investor funds would be used to invest in startup companies and to make profitable trades in commodities and currencies. These representations were false. Investor deposits were transferred to Surge, LLC and Accanito Capital and used to trade foreign currencies resulting in significant losses, to make Ponzi-like distributions to investors, and for expenditures to benefit Defendant Seaman and his relatives. *See* ECF No. 1. As a result of the conduct alleged in the Complaint, the SEC commenced the Enforcement Action for violations of securities laws against Defendant Seaman and the Receivership Defendants.

The Receiver's investigation of the Receivership Defendants' business operations, financial records, and dealings with investors has revealed that the foregoing allegations in the SEC's Complaint accurately describe the actual operations of the Receivership Defendants.

**2. Receivership Defendants' Use of Investor Funds**

During the Reporting Period, the Receiver, together with her forensic accountant, continued to trace the flow of investor funds through intracompany transfers between and among Receivership Defendants as follows:

As stated in the Receiver's Initial Status Report, Investors invested in the Receivership Defendants by sending their investment contributions to Accanito Equity LLC, Accanito Equity II, LLC, Accanito Equity III, LLC and/or Accanito Equity IV, LLC. Investors believed that their

funds were purchasing private equity in a diverse group of startup and technology companies. Investors were promised guaranteed returns on their investments in the form of monthly distributions. Investors who received monthly distributions often rolled over their investments from one Accanito Equity company to the next believing that the Receivership Defendants' private equity interests were very profitable and that they had made a good investment. In reality, very little private equity was ever purchased in the name of the Receivership Defendants. And, of the four companies in which Receivership Defendants invested, only Surge Trader LLC is purportedly profitable, and according to the operating agreement forming that company Receivership Defendants were only granted a 5% ownership interest in that company. So, while some investors received monthly distributions, those distributions did not come from Receivership Defendants' net profits, but rather from new investor deposits.

Moreover, instead of purchasing private equity, investor funds were transferred to Accanito Capital, Accanito Holdings, and Surge LLC and used to fund Defendant Seaman and his family's lavish lifestyle including private jet flights, luxury ski vacations, exotic cars, expensive jewelry, and nearly a half million dollars spent on annual rent for the Seamans' residence. In addition, investor funds were used to make interest-free loans and to pay significant fees to Jana Seaman and her entities Valo and UIA. Investor funds were also used to fund high-risk, online foreign currency trading which resulted in significant losses of capital and payment of high commissions.

**a. Personal Expenses and Transfers to Insiders<sup>1</sup>**

As detailed in her Initial Status Report, the Receiver has traced the use of over \$8.5 million in investor funds to pay for personal expenses for Defendant Seaman and his family and to make

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<sup>1</sup> The amount and categorization of the transfers of investor funds reported herein are based on the Receiver's review of the Receivership Defendants' QuickBooks files which have not yet been verified with backup documentation that is still being produced by third parties.

transfers to insiders. During this Reporting Period, the Receiver continued investigating this misuse of investor funds to determine whether it gives rise to viable claims for the Estate. During the Reporting Period, the Receiver developed the Estate's fraudulent transfer claims against third-party recipients of fraudulent transfers, investors who received net gains, former counsel and accountants to Defendant Brent Seaman, and family members and insiders. The Receiver sent demand letters to those third parties in possession of misappropriated investor funds. She has also engaged in negotiations for repayment of those investor funds to the Estate. She will seek this Court's approval of any settlements she reaches with those parties. And, she will pursue legal action against any of those third parties that refuse to return the investor funds. After the Reporting Period, she sent demand letters to investors who received net gains and commenced discussions with counsel for one of those investors.

**b. Trading Losses**

The Receiver, together with her forensic accountant, has traced the transfer of at least \$20.1 million in investor funds to 11 foreign currency exchange trading accounts held by Surge LLC. Upon liquidation of those 11 trading accounts, only \$508,719.94 of that \$20.1 million remained and was recovered by the Receiver. Those trading accounts are hosted by online platforms registered in foreign countries. The trading accounts were used to conduct high-risk trading and suffered huge losses of investor funds. In addition to the trading losses, Surge LLC paid high commissions to the trading platforms. The Receiver is investigating the amounts of commissions and fees paid to both the trading platforms and the introducing broker that connected Surge LLC with those foreign platforms to determine whether the Estate holds valid claims against those third parties.

**c. Corporate Ownership Interests**

The Receivership Defendants' remaining assets include interests in closely held companies, including 99% ownership of Blue Diamond Home Solutions of Dallas (Dallas, TX), 5% ownership of Blue Diamond Home Solutions (Naples, FL), 5% ownership of Surge Trader LLC, and 100% ownership of Surge Capital Ventures LLC, and any potential claims against insiders and third parties that received funds and assets from the Receivership Defendants.

During the Reporting Period, the Receiver continued investigating the percentage of the Receivership Defendants' ownership in the closely held companies, the outstanding loans made by the Receivership Defendants to those companies, and the potential value of the Receivership Defendants' ownership interests in those companies. The Receiver with her forensic accountant determined the outstanding debt owed by those companies to the Receivership Defendants and is pursuing the Estate's right to collect those debts.

None of these closely held companies other than Surge Trader LLC ever produced revenue for the Receivership Defendants. The Receiver confirmed that Surge Trader LLC produced passive investment income that was steadily increasing prior to the Receivership. During the Relevant Period, Accanito Capital received monthly distributions totaling \$1,117,939.81 from Surge Trader LLC. Surge Trader LLC ceased making monthly distributions to Surge LLC at the end of November 2023. The Receiver sent Surge Trader LLC a demand letter for the unpaid and all future distributions owed to Accanito Capital and a subpoena seeking corporate ownership records and financial statements needed to audit the revenues and expenditures of the company to determine the amount of monthly distributions owed to the Receivership Estate. Surge Trader LLC claims it does not currently have sufficient revenue to make monthly distribution payments to the Receivership Defendants.



Relief Defendant SCV is owned 100% by Surge LLC. SCV was created to engage in commodities and currency trading. The Receiver and her forensic accountant confirmed that SCV borrowed nearly \$3 million of commingled investor funds from Surge LLC. During the same time period, the Receivership Defendants did not receive from SCV any funds in return in the form of loan repayment or revenues. According to the forensic bank account reconstruction, SCV currently owes \$1,717,717 to the Receivership Defendants on that loan. Thus, the Receivership Defendants' investment in SCV is another loss of investor funds.

The Receiver is investigating the use of investor funds to operate SCV and whether those funds were also being used to fund other trading companies' operations such that Receivership Defendants may have an undisclosed interest in other entities. In particular, SCV transferred over \$2.2 million to Deel, Inc., as a payment processor, to pay independent contractors who were working for SCV. The Receiver served a subpoena on Deel, Inc. and obtained all invoices, contracts and supporting documents underlying the \$2.2 million in payments to Deel, Inc. The Receiver is investigating the services provided by those independent contractors and whether they benefitted SCV and/or the Receivership Defendants. If those services for which SCV paid benefitted any other third-party entity, then the Receiver will seek to recover the payments made by SCV.

During the Reporting Period, the Receiver and the SEC calculated the outstanding balance on the loan owed by SCV to the Receivership Defendants and negotiated a Consent and Final Judgment against SCV for \$1,717,717 plus prejudgment interest. That signed Consent and proposed Final Judgment will be submitted to this Court for approval upon final approval by the SEC Commissioners.

#### **IV. CASH ON HAND AND ACCRUED EXPENSES OF ESTATE**

The Receiver presently holds \$3,170,434.21 in cash on hand in the Estate's fiduciary account at City National Bank in Miami, Florida, and an additional \$37,195.45 held in Accanito Capital's frozen account at BMO Harris, which will soon be transferred to the Estate's account. *See* Schedule of Receipts and Disbursements, attached hereto as Exhibit A. Shortly after the close of the Reporting Period, the check from BMO Harris in the amount of \$37,195.45 was received and deposited in the Receiver's fiduciary account for the Receivership Estate.

During the Reporting Period, the Receivership Estate incurred administrative expenses in the form of fees and costs of the Receiver and her professionals for the work they performed in connection with fulfilling the Receiver's duties under the Court's Orders. Pursuant to the Appointment Order, the Receiver will file an application seeking approval and payment of those fees and costs from the funds the Receiver has marshaled and deposited into the Estate's fiduciary account since she was appointed. During that same time period, the Receiver made disbursements (totaling \$6,480.00) from the fiduciary account for necessary expenses to preserve and administer the Estate as well as to image and preserve all of the Receivership Defendants' business records.

#### **V. KNOWN PROPERTY OF THE RECEIVERSHIP ESTATE**

The Receiver is in possession, custody, or control of the following assets of the Receivership Estate:

- \$3,170,434.21 in cash on hand, in the Estate's fiduciary account at City National Bank in Miami, Florida;
- \$37,195.45 in Accanito Capital's frozen account at BMO Harris (the funds were received shortly after the close of the Reporting Period);
- Jewelry purchased by Surge LLC for \$328,409.43 recovered from Jana Seaman;

- The right to collect the balance of \$184,114.00 of Valo's disgorgement obligation;
- 99% ownership interest in Blue Diamond Home Solutions of Dallas (Dallas, TX);
- 5% ownership interest in Blue Diamond Home Solutions (Naples, FL);
- At least 5% ownership interest in Surge Trader LLC;
- One desktop computer and two laptop computers; and
- Claims against third parties.

## **VI. LIQUIDATED AND UNLIQUIDATED CLAIMS OF THE RECEIVERSHIP ESTATE**

Throughout this Reporting Period, the Receiver and her professionals completed the reconstruction of Receivership Defendants' bank accounts for the Relevant Period and analyzed potential sources from which the Receivership Estate could recover additional funds or other assets belonging to or improperly transferred from the Receivership Defendants, including affiliates, investors, relatives, and third parties who are in possession of or received funds or other assets traceable to the Receivership Defendants' business or investors.

The Receiver and her professionals will continue developing and pursuing claims the Estate may have to recover funds or other assets belonging to or improperly transferred from the Receivership Defendants, including without limitation turnover and fraudulent transfer claims against affiliates, investors, relatives, and third parties, as is appropriate and authorized by the Appointment Order. Further, the Receiver will investigate the Estate's potential claims against professionals and institutions that may have facilitated the alleged misconduct of the Receivership Defendants or otherwise contributed to the damages alleged to have been sustained by investors.

The Receiver is not aware of any liquidated claims of the Estate at this time.

## VII. KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE

The creditors of the Estate are made up of the Receivership Defendants' investors. The Receiver has identified more than 60 investors who invested a total of \$33,619,347.67 with the Receivership Defendants. A spreadsheet of investment amounts, rollover contributions, return of contributions, and distributions to investors with a preliminary calculation of the total net loss suffered by investors was attached to the Receiver's Initial Status Report as Exhibit B. Certain investors received the "guaranteed" monthly distributions (totaling \$4,986,107.90), other investors received a return of their investment principal (totaling \$4,721,464.31), and some investors received both monthly distributions and the return of their principal. *See id.* Based on the records currently in the Receiver's position, the total investor loss is \$25,771,523.98. The nearly \$10 million that was returned to investors was funded by new investor deposits in Ponzi-like fashion. The Receiver has determined that certain investors realized a net gain in this scheme and she is pursuing recovery of that net gain as a fraudulent transfer.

During the Reporting Period, the Receiver requested that investors provide proof of the investments they made in, and returns they received from, the Receivership Defendants along with backup documentation of such investments and returns. Most investors responded to the Receiver's request. The Receiver has also subpoenaed Midland Trust to determine the amount of investor funds that flowed through that IRA administrator and which investors invested and received returns through Midland Trust. Midland Trust has provided most of the requested documents, and the Receiver's forensic accountant has incorporated all information provided by investors and Midland Trust into the bank account reconstruction.

The Receiver will use the bank account reconstruction to calculate the net loss for each individual investor based on the total amount invested in all Receivership Defendants, not

including rolled-over amounts, minus the distributions and returned contributions received by that investor.

### VIII. RECEIVER'S RECOMMENDATION

The Receiver and her professionals appreciate the opportunity to assist the Court in this matter. The Receiver recommends a continuation of the Receivership, as discussed herein, to fulfill the Receiver's duties under the Court's Orders, with the focus on affording the most cost-effective approach to preserving the assets, maximizing the ultimate recovery by the Receivership Estate, carrying out the directives of this Court, and implementing the Plan of Liquidation proposed in her Initial Status Report and creating a claims and distribution plan as soon as practicable.

Respectfully submitted this 25<sup>th</sup> day of April, 2024.

DAMIAN | VALORI | CULMO

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Relief Defendant Surge Capital Ventures  
LLC, and for Receiver, Melanie E. Damian*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via electronic transmission via this Court's CM/ECF filing system on April 25, 2024 on all counsel or parties who have appeared in the above-styled action.

/s/Kenneth Dante Murena  
Kenneth Dante Murena, Esq.  
*Counsel for the Receivership Entities, for  
Relief Defendant Surge Capital Ventures  
LLC, and for Receiver, Melanie E. Damian*

**EXHIBIT A**

Mealnie Damian, Esq., as Receiver  
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Miami, Florida 33131

STANDARDIZED FUND ACCOUNTING REPORT  
CIVIL – ACCANITO RECEIVERSHIP FUND FOR SEC V. SEAMAN, ET AL.  
Reporting Period 1/1/2024 to 3/31/2024

		Detail	Subtotal	Grand Total
<b>Line 1</b>	Beginning Balance (As of 1/1/2024):	\$ -	\$ -	\$ 3,166,914.21
	<b>Increases in Fund Balance:</b>			
<b>Line 2</b>	Business Income	\$ -	\$ -	\$ -
<b>Line 3</b>	Cash and Securities [1]	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
<b>Line 4</b>	Interest/Dividend Income	\$ -	\$ -	\$ -
<b>Line 5</b>	Business Asset Liquidation			
<b>Line 6</b>	Personal Asset Liquidation	\$ -	\$ -	\$ -
<b>Line 7</b>	Third-Party Litigation Income	\$ -	\$ -	\$ -
<b>Line 8</b>	Miscellaneous - Other			\$ -
	<b>Total Funds Available (Lines 1-8):</b>			\$ 3,176,914.21
	<b>Decreases in Fund Balance:</b>			
<b>Line 9</b>	Disbursements to Investors	\$ -	\$ -	\$ -
<b>Line 10</b>	Disbursements for Business Operations [1]	\$ 6,480.00	\$ 6,480.00	\$ 6,480.00
Line 10a	Disbursements to Receiver or Other Professionals	\$ -	\$ -	\$ -
	<b>Total Disbursements for Receivership Operations</b>			\$ 6,480.00
<b>Line 11</b>	Disbursements for Distribution Expenses Paid by the Fund:	\$ -	\$ -	\$ -
<b>Line 12</b>	Disbursements to Court/Other	\$ -	\$ -	\$ -
	<b>Total Disbursements to Court/Other</b>			
	<b>Total Funds Disbursed (Lines 9-11)</b>			\$ 6,480.00
<b>Line 13</b>	<b>Ending Balance (As of March 31, 2024)</b>			\$ 3,170,434.21
<b>Line 14</b>	<b>Ending Balance of Fund – Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			\$ 3,170,434.21
	<b>Total Ending Balance of Fund – Net Assets</b>			\$ 3,170,434.21

[1] See Attachment 1.

Respectfully submitted,  
Damian | Valori | Culmo  
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Miami, Florida 33131  
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Facsimile: 305-371-3965  
/s/ Melanie Damian  
Melanie Damian, Court-Appointed Receiver

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

<b>Date</b>	<b>From</b>	<b>Amount</b>
2/9/2024	Nelson Mullins	\$ 10,000.00
<b>Total Receipts</b>		<b>\$ 10,000.00</b>

**Attachment 1 to Exhibit A to Receiver's Initial Report  
SEC v. Seaman et al. - Expenses of Fiduciary Account**

<b>Date</b>	<b>From</b>	<b>Amount</b>
1/12/2024	Cyberdiscovery	\$ 2,280.00
1/12/2024	wire fee	\$ 30.00
1/12/2024	Cyberdiscovery	\$ 1,375.00
2/5/2024	Cyberdiscovery	\$ 1,375.00
2/5/2024	wire fee	\$ 15.00
2/9/2024	wire fee	\$ 15.00
3/1/2024	Cyberdiscovery	\$ 1,375.00
3/1/2024	wire fee	\$ 15.00
<b>Total Expenses</b>		<b>\$ 6,480.00</b>