

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 21-61176-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PROPERTY INCOME INVESTORS, LLC,  
EQUINOX HOLDINGS, INC.,  
PROPERTY INCOME INVESTORS 26, LLC,  
PROPERTY INCOME INVESTORS 304, LLC,  
PROPERTY INCOME INVESTORS 201, LLC,  
PROPERTY INCOME INVESTORS 3504, LLC,  
PROPERTY INCOME INVESTORS 1361, LLC,  
PROPERTY INCOME INVESTORS 4020, LLC,  
PROPERTY INCOME INVESTORS 9007, LLC,  
PROPERTY INCOME INVESTORS 417, LLC,  
PROPERTY INCOME INVESTORS 4450, LLC,  
PROPERTY INCOME INVESTORS 3050, LLC,  
LARRY B. BRODMAN and ANTHONY  
NICOLOSI (f/k/a ANTHONY PELUSO),

Defendants.

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**RECEIVER'S MOTION TO ESTABLISH AND APPROVE (i) PROOF OF CLAIM  
FORM AND CLAIM BAR DATE; (ii) PROCEDURE TO ADMINISTER, REVIEW,  
AND DETERMINE CLAIMS; AND (iii) NOTICE PROCEDURES  
AND INCORPORATED MEMORANDUM OF LAW**

Miranda L. Soto, Esq., solely in her capacity as Receiver (the "Receiver") for Defendants Property Income Investors, LLC; Equinox Holdings, Inc.; Property Income Investors 26, LLC; Property Income Investors 304, LLC; Property Income Investors 201, LLC; Property Income Investors 3504, LLC; Property Income Investors 1361, LLC; Property Income Investors 4020, LLC; Property Income Investors 9007, LLC; Property Income Investors 417, LLC; Property Income Investors 4450, LLC; and Property Income Investors

3050, LLC (collectively, the “Receivership Entities”), files this Motion to begin the process of returning funds to claimants harmed by the alleged wrongdoing in this case. Given that the Receiver anticipates completing her liquidation of the real property assets owned by the Receivership Entities in the coming months, she believes it is in the best interests of the Receivership Entities and the investors to seek Court approval of the process that will ultimately distribute recovered assets to claimants with approved claims.

As described herein, the Receiver seeks Court approval for the procedures and framework of a claims process, which includes the use of the “net investment” method to determine claims, procedures to review and determine claims, a claim bar date and proof of claim form, and notice procedures for all known and unknown potential claimants. Once the Court approves the claims process and all timely submitted proof of claim forms are reviewed by the Receiver, she will then by separate motion seek Court approval of her claim determinations and ultimately a plan for distribution of Receivership assets to claimants with approved claims. The Receiver states the following in support.

**I. INTRODUCTION AND RELEVANT BACKGROUND**

This case involves allegations that Defendants Brodman and the Receivership Entities raised at least \$9 million from over 150 investors who were told that their funds would be used almost entirely to purchase “turnkey, multifamily properties” in South Florida which would then be renovated, rented to tenants, and eventually sold. Doc. 1. ¶ 3. Investors were also told that they would be entitled to receive a portion of the rental income and any sale proceeds generated from the Property(ies) they were investing in. Although a portion of investor funds were used to purchase various properties in the South Florida area, the

Commission alleged that Defendant Brodman and the PII entities misappropriated and diverted over \$2 million in investor funds, extensively commingled investor funds, and in some instances used investor funds to make purported “profit” payments and distributions to other investors. Doc. 1 ¶¶ 4, 70-71. The Commission also alleged that, despite statements in the offering materials that commissions would only be paid to licensed brokers, at least \$1.2 million in investor funds were used to pay undisclosed sales commissions to unlicensed sales agents including Defendant Nicolosi. *Id.* ¶¶ 68-69.

Based on evidence presented by the Commission, the Court granted various relief including an asset freeze and the appointment of a Receiver to marshal and safeguard assets for the benefit of defrauded investors. Doc. 10. The Receiver has made significant progress since her appointment, including securing<sup>1</sup> the seven residential multi-family properties owned by the Receivership Entities (the “Properties”), hiring a property management firm to maintain the Properties, and retaining a real estate agent to assist in the listing of the Properties for sale. To date, the Receiver has obtained court approval for the sale of several of the Properties, has closed the sale of one of the Properties, and is attempting to close the remaining approved sales. The Receiver currently has secured over \$1 million since her appointment, and she expects this balance to increase as she makes further progress in selling the Properties.

With the help of her forensic and legal professionals, the Receiver has identified approximately 150 investors that invested into either Receivership Entity Equinox Holdings, Inc. (“Equinox Holdings”) or one or more of the various Property Income Investors

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<sup>1</sup> This included, among other things, making necessary improvements, remedying code violations and other identified maintenance items, paying property taxes and renewing insurance policies to include adequate windstorm coverage.

Receivership Entities (the “PII Entities”) during the time period from January 1, 2016 to June 1, 2021 (the “Relevant Period”). Quarterly distributions were paid to investors in the PII Entities until late 2020. Prior to the Relevant Period, it appears that Receivership Entity Equinox Holdings also raised funds from investors under the guise that those funds would be used to purchase real estate. Equinox Holdings investors were not promised and thus did not receive any quarterly distributions.

The Order Appointing Receiver directed the Receiver to identify, gather, and secure the Receivership Entities’ assets. The Receiver and her team have devoted significant efforts in carrying out these duties, and one of the Receiver’s overarching goals has been to begin distributing any recovered assets back to creditors as soon as feasible. Given the Receiver’s progress in securing and liquidating these assets, as well as identifying additional potential assets, the Receiver believes she is now in a position to justify presenting the framework of a proposed claims process for Court approval. Once these parameters and procedures are approved by the Court, the Receiver can then begin the process of providing Proof of Claim Forms to potential claimants, reviewing completed Proof of Claim Forms, submitting her recommended determination of creditor claims to the Court, and ultimately requesting Court approval for any distribution(s) based on those approved claims.

In establishing a claims process for eventual distribution of recovered funds, the Receiver must account for and consider the most equitable and efficient way to maximize the distributions to the largest number of investors while also minimizing any costs incurred by the Receivership Estate.



Accordingly, and for the reasons described herein, the Receiver seeks Court approval for the framework and procedures of a claims process that, among other things, utilizes the net investment method (i.e., “cash in, cash out”) to calculate investor claim amounts. The Receiver respectfully moves this Court for an Order (i) approving the Proof of Claim Form attached hereto as **Exhibit 1** and the procedure to administer and determine claims set forth herein including the Claims Process Instructions attached hereto as **Exhibit 2**; (ii) establishing a deadline for filing any proof of claim against the Receivership; and (iii) permitting notice of the deadline by UPS or Federal Express, by publication in specified newspapers and on the Receiver’s website at [www.propertyreceivership.com](http://www.propertyreceivership.com) in the form attached hereto as **Exhibit 3**.

## **II. CURRENT AND FUTURE SOURCES OF RECOVERY FOR DISTRIBUTION**

The Receiver currently has a total of approximately \$1 million on deposit in the Receivership Estate’s fiduciary bank accounts.<sup>2</sup> The vast majority of the current balance consists of the sale proceeds from two parcels of real estate that were sold by the Receivership Entities prior to the Receiver’s appointment but which were held in an attorney trust account until the Receiver took possession of the funds. The remaining Receivership Properties continue to generate monthly rental income that is deposited in the Receiver’s bank account. Pursuant to her duty to maintain and preserve the value of Receivership assets, the Receiver also spends funds from the Receivership accounts to maintain and otherwise operate the remaining Receivership Properties. The Receiver’s liquidation of the Properties is ongoing,

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<sup>2</sup> This amount does not include approximately \$287,000 in proceeds from the recent closing of one of the Properties that is being transferred to the Receiver’s fiduciary bank accounts.

and she expects that the net sale proceeds from those sales will be deposited into the Receiver's bank account following Court approval and a subsequent closing. Not surprisingly, the Receiver expects that the monthly rental income currently being generated by the Properties will correspondingly diminish and ultimately cease once the liquidation is complete. To the extent the Receiver's investigation identifies any additional personal or real property traceable to investor assets, the Receiver will act accordingly to secure those assets.

In addition to any personal or real property assets, the Receiver also anticipates the potential recovery of additional funds by pursuing additional funds from individuals and entities that the Receiver believes may have improperly received funds from the Receivership Entities. The Receiver's investigation continues as to the viability of these potential causes of action.

### **III. THE PROPOSED CLAIMS PROCESS**

As detailed below, the Receiver proposes (i) the establishment of a Claim Bar Date (as defined below), (ii) approved forms for claim submissions; (iii) claims notification and publication procedures, and (iv) the framework by which the Receiver will calculate and administer the claims process. Once these procedures are approved and implemented, the Receiver will then at the appropriate time ask the Court to (i) approve her determinations of timely submitted claims, and (ii) approve an interim (and additional as necessary) distribution to claimants with approved claims.

#### **A. Claim Bar Date**

The Receiver seeks entry of an order establishing a deadline by which all claimants holding a claim against a Receivership Entity arising out of the activities of the Receivership

Entities (the “Claimants”) must assert their claim by completing and submitting a Proof of Claim Form described below in Section III.C (the “Claim Bar Date”). Claimants must file claims in order to be eligible to participate in any distribution of Receivership assets. A Claim Bar Date is necessary to allow as many possible Claimants to participate in the claims process while also allowing the Receiver to obtain certainty in a reasonably prompt fashion of the total amount of potential claims to the Receivership assets. Such certainty is necessary to be able to determine the amount of money each Claimant with an allowed claim is entitled to receive and to facilitate a timely claims resolution and distribution process. The Receiver proposes that any claim received after the Claim Bar Date be disallowed.

The Receiver proposes that the Claim Bar Date be set 90 days from the mailing of the claims package (including the Proof of Claim Form) to all known possible Claimants, and that the Receiver publish the Notice as provided below within ten (10) business days of the mailing of the claims package. This period will not only give potential Claimants sufficient time to review, complete, and submit their Proof of Claim Form to the Receiver, but will also provide adequate notice to any other potential Claimants to learn of and comply with the proposed claims process.

**B. Claim Notice and Publication Procedures**

Based on the Receiver’s and her professionals’ review and analysis of relevant documentation, the Receiver believes she has identified most (if not substantially all) of the Receivership Entities’ investors (“Known Potential Claimants”). For those Known Potential Claimants, the Receiver generally has identified last known mailing addresses (and, in some cases, email addresses) by reviewing company and investor records as well as

communications with known investors. The Receiver has been diligent in attempting to obtain up-to-date information for all prospective claimants, including by establishing a Receivership website at [www.propertyreceivership.com](http://www.propertyreceivership.com) that is accessible by the public and which contains a registration mechanism allowing interested parties to submit their current contact information. Despite these efforts, it is possible that some potential Claimants may be currently unknown (“Unknown Potential Claimants”) or that some of the last known mailing (or email) addresses may not be current.<sup>3</sup> As such, alternative forms of notice are advisable.

Based upon the documents reviewed and information gathered to date, it appears that investors and other potential creditors are located throughout the United States. Given the geographically broad area in which potential Claimants are located and the significant expense that would be incurred if the Receiver was to publish the Notice attached as **Exhibit 3** (the “**Notice**”) in newspapers across the country, the Receiver proposes to publish the Notice in the national edition of The Wall Street Journal and The Sun-Sentinel<sup>4</sup> within ten (10) business days of the mailing (by UPS or Federal Express) of the Proof of Claim Form to all Known

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<sup>3</sup> The Receiver’s knowledge is limited to (1) the documents and information she has been able to obtain from the Receivership Entities, financial institutions, and investors and (2) other information she has gathered. It is possible that some Claimants may be currently unknown, and the identities of these potential Claimants are not reasonably ascertainable. As such, providing notice of the Claim Bar Date to all potential Claimants by direct mail (or email) alone is not possible.

<sup>4</sup> The Sun-Sentinel has been reporting on the scheme and the Receivership. Given that coverage of the scheme and the fact that the Sun-Sentinel is the largest newspaper in the district where the Receivership Entities’ office was located, the Receiver believes that potential Claimants located in the south Florida area and those located outside the area may be following the coverage and would benefit from the publication.

Potential Claimants.<sup>5</sup> The Receiver will also publish the Proof of Claim Form, Notice, and this Motion (and resulting Court Order) on her website at [www.propertyreceivership.com](http://www.propertyreceivership.com) as an additional way to provide notice to any Unknown Potential Claimants and any other third-party that may have an interest in participating in the claims process.

Therefore, the Receiver seeks permission to provide the Notice attached as **Exhibit 3** of the Claim Bar Date to Known Potential Claimants by UPS or Federal Express to their last known address and to unknown Claimants by publication in the national edition of The Wall Street Journal, The Sun-Sentinel, and on the Receiver's website. The Claim Bar Date will apply to all creditors of, and investors in, the Receivership Entities. The Receiver believes that such notice is reasonably calculated to inform all interested parties of the claims process – including the Claim Bar Date.

**C. Procedures To Administer And Determine Claims**

The Receiver has spent considerable time and effort in formulating a procedure through which potential claims may be submitted for the Receiver's review and determination, including a Proof of Claim Form, a method to calculate an investor's claim amount, and the resulting process in which the Receiver's proposed determination is submitted to the Court and ultimately used as the basis to make any distribution(s) of Receivership assets. Although the Receiver is guided by the "principle that equality is equity,"<sup>6</sup> the unfortunate reality is that formulating a distribution plan in a case where creditor claims are expected to exceed available

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<sup>5</sup> The cost of a one-day advertisement for the Notice in the national edition of The Wall Street Journal is approximately \$6,850.00, and the same advertisement in The Sun-Sentinel costs approximately \$90.00.

<sup>6</sup> *Cunningham, Trustee of Ponzi v. Brown*, 265 1, 20 (1924)

assets means that a claimant who benefits from one potential distribution method does so at the expense of other claimants. As one court has observed, “[a]n equitable plan is not necessarily a plan that everyone will like.” *SEC v. Credit Bancorp*, 2000 WL 1752979, at \*19 (S.D.N.Y. 2000); *see also Barki*, 2009 WL 3839389 at \*2 (“the court is painfully aware that no matter the method employed, the Investors will feel the sting of inequity”).<sup>7</sup>

**1. The Net Investment Method Should Be Used To Calculate Investor Claims**

The Receiver and her professionals have reviewed voluminous documents that included financial documents and company and investor records, and a forensic analysis of these records shows that nearly all investors in the PII Entities received regular distributions that purportedly represented rental income generated by the Properties. These distributions were the basis of solicitations to entice prospective investors and were set forth in investment documentation signed by investors in the PII Entities. In contrast, the investors in Equinox Holdings did not receive regular distributions and no such distributions were promised or otherwise set forth in investment documentation signed by Equinox investors.

As the PII Entities accounted for the vast majority of investors (and total investments), the Receiver believes it is fair and equitable to account for the pre-receivership distributions and submits that the Net Investment Method should be used (where possible) to calculate each investor’s claim. Using the Net Investment Method, the Receiver proposes calculating each investor’s claim amount by adding all amounts contributed by the pertinent investor and

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<sup>7</sup> *See also SEC v. Parish*, Case No. 2:07-cv-00919, 2010 WL 5394736 at p. 8 (D.S.C. Feb. 10, 2010) (“It is the task of this court to choose not is the ‘fairest’ distribution plan, but to choose the plan which is the least unfair.”)



subtracting all payments made to that investor and/or in connection with that investment, regardless of whether those payments were characterized as interest, earnings, returns or redemptions of principal, incentive fees, referral fees, or any other terminology. For example, an investor who made a total investment of \$100,000.00 and received \$50,000.00 in distributions or other transfers would have a Net Investment Amount of \$50,000.00.

Importantly, an investor's Net Investment Amount is **not** the amount that investor should expect to receive in total distributions from the Receivership; instead, it will be used to determine that investor's *pro rata* entitlement to any distribution(s) proposed by the Receiver based upon her expert's calculations and ultimately approved by the Court.<sup>8</sup> Nor does the identification of a Net Investment Amount guarantee that the investor has a valid claim. Accordingly, the Receiver believes that the facts of this case, as well as the investors' collective and best interests, warrant the use of the Net Investment Method.

## 2. Non-Investor Claims

At this time, the Receiver is aware of several potential non-investor creditors ("Non-Investor Creditors") holding potential claims, including a non-investor creditor seeking reimbursement of expenses purportedly incurred in responding to a subpoena issued by the

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<sup>8</sup> For example, if an investor has a Net Investment Amount of \$1,000.00 and there are a total of 100 investors with timely submitted claims resulting in a cumulative Net Investment Amount of \$100,000.00, it follows that the investor with the Net Investment Amount of \$1,000.00 would represent 1% of the total amount of approved investor claims. Accordingly, that investor would be entitled to receive 1% of any distribution(s) which would represent that investor's *pro rata* share of any recovery. Using the example above, if the Receiver was to propose a distribution of \$50,000.00 which would represent a cumulative distribution of 50% of all approved investor claims, the investor with the \$1,000.00 claim would be entitled to receive 1% of the proposed distribution which would equate to a \$500.00 payment ( $\$50,000.00 * .01$ ) and represent a 50% distribution.

Receiver. To the extent the Receiver has contact information for any known Non-Investor Creditors, the Receiver proposes to send correspondence via UPS or Federal Express to those third-parties enclosing a copy of the Motion, Order, blank Proof of Claim Form, and Claims Process Instructions, and notifying them of the Claim Bar Date, on the same day the Receiver mails out notice to all Known Potential Claimants.

**3. Procedures Regarding The Preparation And Submission Of Proof of Claim Forms**

The Receiver proposes providing each potential claimant with a Proof of Claim Form, a copy of which is attached as **Exhibit 1**. Each Proof of Claim Form will also include Claims Process Instructions, attached as **Exhibit 2**, to be followed in completing the Proof of Claim Form. For each Proof of Claim Form to be sent to an investor in one or more of the Receivership Entities, the Receiver proposes to include the calculated Net Investment Amount with the Proof of Claim Form for the pertinent investor to the extent the Receiver has sufficient reliable information to make this calculation. If the investor receives a Proof of Claim Form with a calculated Net Investment Amount and agrees with the amount identified, then the investor does not need to provide any further documentation supporting his or her claim. However, the investor must still complete and sign the Proof of Claim Form under penalty of perjury and return it to the Receiver (whether by mail, email, or facsimile) before the Claim Bar Date, as specified above.

If the Receiver later discovers that the Net Investment Amount provided on the Proof of Claim Form is not accurate, she will amend the Net Investment Amount and provide notice of the amendment to the investor. The investor will then have the later of either the Claim Bar Date or thirty (30) days from the date the amendment was sent to return an amended Proof of

Claim Form to preserve his or her claims. Non-Investor Claimants also will be required to complete and return the Proof of Claim Form to the Receiver by the Claim Bar Date.

Each completed and submitted Proof of Claim Form must conform substantially to, and contain all of the information sought in, the Proof of Claim Form approved by the Court. The Claims Process Instructions provided to each potential claimant will include additional instructions on completing and submitting the signed Proof of Claim Form, including the timing and method of transmittal of the signed Proof of Claim Form, will be set forth in the Claims Process Instructions. All Proof of Claim Forms must be sent **so as to be received by the Receiver on or before the Claim Bar Date** by mail, email, and/or fax as follows:

Miranda L. Soto, Receiver  
c/o Jordan D. Maglich, Esq.  
Buchanan Ingersoll & Rooney PC  
One Biscayne Tower  
2 S. Biscayne Blvd., Suite 1500  
Miami, FL 33131-1822  
[piireceiver@bipc.com](mailto:piireceiver@bipc.com)  
Fax: (305) 347-4089

**It is the submitting potential claimant's responsibility to ensure that their completed Proof of Claim Form is delivered to, and timely received by, the Receiver on or before the Claim Bar Date, regardless of whether the completed Proof of Claim Form is mailed, faxed, and/or emailed.** Any emailed or faxed completed Proof of Claim Form will be accepted only if received on or before the Claim Bar Date and the original executed Proof of Claim Form is received by mail no later than three (3) calendar days after transmission of the facsimile and/or email. Failure to provide an original executed Proof of Claim Form within the time specified may result in denial of the claim. Facsimile copies must be sent to (305)

347-4089 to the attention of Miranda L. Soto, Receiver c/o Jordan D. Maglich, and email copies must be sent to [pireceiver@bipc.com](mailto:pireceiver@bipc.com).

If the investor disagrees with the Net Investment Amount or if the Receiver determines to not include a Net Investment Amount, then the investor must provide the amount he, she, or it contends is correct and legible copies of all documents on which the claim is based or, if documents are not available, an explanation as to why the documents are not available. If an investor invested through an IRA or jointly with another person or entity and also individually, the Receiver will send the investor multiple Proof of Claim Forms. Again, the investor must complete and return each Proof of Claim Form (along with any necessary or required documentation of the Claimant's investment) to preserve all claims and be considered for a distribution.

#### **4. Procedures Regarding Claim Determination And Administration Of Claims Process**

The Receiver and her legal team intend to review each submitted claim and ultimately make a determination of each claim that will be submitted for the Court's approval. For all claims that are timely submitted to the Receiver, and subject to the Receiver's discretion to be exercised in an equitable manner and in the best interests of the Receivership, the Receiver may send notice of a deficiency (i.e., failing to answer a required question or provide required documentation or information) in a submitted Proof of Claim Form to the submitting Claimant. The Claimant will then have the later of either the Claim Bar Date or thirty (30) days from the date the notice of deficiency was mailed to correct the deficiency as directed by the Receiver to preserve his or her claim. The Receiver also may request additional information from a Claimant. A Claimant's failure to cure a deficiency or provide additional

information may result in denial of the claim. Following the passage of the Claim Bar Date, the Receiver will file a Motion with the Court including her recommended determination of all timely received claims as well as a proposed objection procedure for any claimants that are dissatisfied with the determination of their claim.

The Receiver reserves the right to reject any Proof of Claim Form that has been altered, modified, or otherwise not completed consistent with the proposed Claim Process Instructions. A rejection will be treated as a deficiency, and the Claimant will have the time indicated above within which to submit a revised Proof of Claim Form that addresses the reason for the rejection. Each Proof of Claim Form must be signed by the Claimant or, if the Claimant is not an individual, by an authorized agent of the Claimant. The Claimant must attest under penalty of perjury that any information provided to, or by, the Receiver, is true and correct. Each Proof of Claim Form must be legible, written in English, and denominated in United States currency. The submission of a claim will subject the Claimant to the jurisdiction of the United States District Court for the Southern District of Florida.

If the Receiver receives a timely objection from any investor or non-investor creditor to any proposed claim amount, the Receiver will attempt to resolve the claim dispute through negotiation. If the parties are unable to resolve the dispute through negotiation, the Receiver will include her proposed claim amount in her Motion seeking the Court's approval of her claim determinations which will also include a proposed objection procedure. If the Court approves that Motion, the investor or non-investor creditor will have the ability to participate

in the Court-approved objection procedure which may ultimately result in the Receiver's submission of the objection for the Court's resolution.<sup>9</sup>

It is unlikely that the Receiver will recover sufficient funds to pay all allowed claims in full. In receiverships, investor claimants with allowed claims are generally afforded the highest priority to any distribution and generally recover a percentage of their loss.<sup>10</sup> As such, the Net Investment Amount will serve as the basis for determining the recipients and amounts of distributions for Investor Claimants. The identification of a Net Investment Amount does not mean that the investor has a valid claim. The Receiver reserves the right to object to the validity of any claim notwithstanding the identification of any such amount.

The Receiver will file a separate motion to recommend to the Court that any properly completed and timely filed claim be considered allowed (and, if necessary, subject to a proposed priority) if it is established that: (i) the claim arises from or in connection with the fraudulent investment scheme set forth in the Complaint filed by the Commission in this action; (ii) losses recognized by law resulted from such activities; (iii) any alleged claim and losses are supported by appropriate documentation and are consistent with the books and records available to the Receiver; and (iv) no ground exists for denying the claim. Specifically, after the Claim Bar Date expires and the Receiver has evaluated all submitted claims, she will seek approval from this Court regarding: (i) allowed claim amounts; (ii)

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<sup>9</sup> As the review, negotiation, and litigation of any objections will necessarily incur attorney's fees and costs that will in turn deplete the available funds for distribution, the Receiver will endeavor to efficiently resolve all objections and only seek the Court's involvement where necessary.

<sup>10</sup> Other claimants with lower priorities, such as non-investor claimants, may ultimately not recover any portion of their loss if investor claimants have not been paid back in full.



priority of claims; (iii) a process for the resolution of objections to claim determinations and priorities established by the Receiver; and (iv) if needed, the establishment of reserves for administration of the Receivership, for litigation, and for disputed claims and priorities (until such time as the disputes are resolved or adjudicated).

At the appropriate time, as determined by the Receiver, she will file a motion for a proposed plan of distribution. The motion will identify the total assets in the Receivership Estate at that time and the total amount of allowed claims. After Court approval, any distribution to the Claimants will be made in an equitable manner and in accordance with the appropriate priority, and no Claimant shall receive more than his or her respective allowed amount. Rather than waiting until the conclusion of the case to make a single distribution, the Receiver intends to seek Court approval to make interim distributions so that defrauded investors who suffered approved losses receive distributions as soon as possible.

All administrative expenses, including attorneys' and other professionals' fees and costs, litigation expenses, and other administrative costs, such as expenses for publishing notice of the claims process, will be paid from the Receivership Estate. These administrative expenses will be paid or reserved before any interim or subsequent Distribution is made. The Receiver has not made any prior request for the relief sought in this motion to this or any other Court.

#### **IV. MEMORANDUM OF LAW**

The Court's power to supervise an equity receivership and determine the appropriate actions to be taken in its administration is extremely broad. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992). "A district court has summary jurisdiction over receivership

proceedings and may deviate from the Federal Rules of Civil Procedure in favor of exercising its broad powers and wide discretion to determine relief.” *SEC v. Torchia*, 922 F.3d 1307, 1316 (11th Cir. 2019) (internal quotations omitted). It is appropriate for a receiver to seek guidance from a court regarding a matter of such import and wide discretion as devising a claims process in an equity receivership. As has been noted, “[i]t is the court itself which has the care of the property in dispute ... [and the] receiver is but the creature of the court.” *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 373 (5th Cir. 1982). In reviewing a distribution plan, a district court sits in equity and has “the authority to approve any plan provided it is ‘fair and reasonable.’” *CFTC v. Barki*, 2009 WL 3839389, at \*3 (W.D.N.C. 2009).

In receivership proceedings, “[e]very person who has any claim or demand against the estate or property in the custody of the court through the receiver, . . . must assert such claim or demand in the court in which such receiver was appointed.” Ralph E. Clark, *Clark on Receivers* § 646, at 1132 (3rd ed. 1992). One way for claimants to assert a claim is for claimants to be authorized “under a general order of the appointing court [to file their] claim with the receiver.” *Id.* at 1132. The receiver may agree or disagree with the claim, which is ultimately decided by the court. *Id.*; see also *SEC v. Founding Partners Capital Mgmt.*, 2014 WL 2993780, at \*1 (M.D. Fla. 2014) (agreeing with and adopting the receiver’s recommendations concerning investor claims). “The claims should be definite enough to enable the receiver to pass on their validity, fairness and legality and to place them in their proper and legal category of claims for preference, if any.” *Clark on Receivers* § 651, at 1142.

In addition to approving the proof of claim form, a court is often asked to approve relief regarding submission and notice of claims. This includes a “bar date” limiting the time

within which claims must be presented. *See SEC v. Onix Capital, LLC*, 2018 WL 1124435 (S.D. Fla. 2018) (“among these broad powers is the power to establish proof of claim procedures and set an effective claims bar date”) (citations omitted). An order limiting the time within which claims must be submitted has been deemed to be necessary to “lay the foundation for the court to order payments to creditors and distribution to those entitled to receive.” *Clark on Receivers* § 651, at 1142; *see also SEC v. Morriss*, 2014 WL 585395, at \*3 (E.D. Mo. 2014) (finding claimant forfeited her right to either claim or object to a distribution by failing to submit a claim). Furthermore, a court with jurisdiction over a receivership, by advertisement and by proper notices by mail, by publication and otherwise should take measures to notify interested parties affected by the receivership. *Clark on Receivers* § 652, at 1143; *see also SEC v. Tanner*, 2006 WL 897642, at \*1 (D. Kan. 2006) (approving receiver’s website notice and e-mail notice to investors of a claims process and claims bar date). This Court has previously approved similar distribution methods, procedures, proof of claim forms, and bar dates to those proposed in this motion. *See, e.g., SEC v. JCS Enterprises, Inc. et al.*, Case No. 14-cv-80478-DMM, Order Doc. 377 (S.D. Fla. Apr. 10, 2017); *SEC v. Frederic Elm et al.*, Case No. 15-cv-60082-WPD, Order Doc. 148 (S.D. Fla. March 29, 2016).

## **V. CONCLUSION**

For the reasons stated herein, the Receiver respectfully requests that the Court (1) approve the Proof of Claim Form attached as **Exhibit 1** and the claims administration procedures set forth in this motion, including the Claims Process Instructions attached as **Exhibit 2**; (2) establish a Claim Bar Date that is 90 days from the date of mailing of the Proof of Claim Form to known possible Claimants; and (3) permit notice of the deadline in the form

attached as **Exhibit 3** by (a) UPS or Federal Express to the last known addresses of all known potential Claimants, (b) publication for one day in the national edition of the Wall Street Journal and in The Sun-Sentinel, and (c) publication on the Receiver's website above. For the Court's convenience, a proposed order granting this motion is attached as **Exhibit 4**.

**LOCAL RULE 7.1(a)(3) CERTIFICATION**

Pursuant to Local Rule 7.1(a)(3), the undersigned certifies that counsel for the Receiver made several attempts to confer with counsel for the Commission and counsel for Defendants Anthony Nicolosi and Larry Brodman prior to filing this Motion. The Receiver was not able to obtain the Commission's position on the requested relief, while counsel for Defendants Nicolosi and Brodman have indicated they do not take any position on the requested relief.

Respectfully submitted,

**BUCHANAN INGERSOLL & ROONEY PC**

/s/ Raquel A. Rodriguez

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and

**BUCHANAN INGERSOLL & ROONEY PC**

By: /s/ Jordan D. Maglich

Jordan D. Maglich, Esq. (FBN 0086106)

401 E. Jackson St., Suite 2400

Tampa, FL 33602

T: 813-222-1141

F: 813-222-8189  
[jordan.maglich@bipc.com](mailto:jordan.maglich@bipc.com)  
*Attorneys for Receiver Miranda L. Soto*

**CERTIFICATE OF SERVICE**

I hereby certify that on December 31, 2021, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system which will send a Notice of Electronic Filing to the following counsel of record:

Alice Sum, Esq.  
Securities and Exchange Commission  
801 Brickell Avenue, Suite 1950  
Miami, Florida 33131  
*Counsel for Plaintiff, Securities and Exchange Commission*

Mark C. Perry, Esq.  
2400 East Commercial Blvd., Ste 201  
Fort Lauderdale, Florida 33308  
*Counsel for Defendant, Anthony Nicolosi, fka Anthony Pehuso*

I further certify that on December 31, 2021, a true and correct copy of the foregoing was sent via electronic mail to the following:

Carl F. Schoeppl, Esq.  
Schoeppl Law, P.A.  
4651 North Federal Highway  
Boca Raton, Florida 33431-5133  
E-mail: [carl@schoeppllaw.com](mailto:carl@schoeppllaw.com)  
*Counsel for Defendant Larry Brodman*

Larry Brodman  
[Larrybro58@gmail.com](mailto:Larrybro58@gmail.com)

*/s/ Jordan D. Maglich*

Attorney

# **EXHIBIT 1**



## PROOF OF CLAIM FORM

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PROPERTY INCOME INVESTORS, LLC,  
 EQUINOX HOLDINGS, INC.,  
 PROPERTY INCOME INVESTORS 26, LLC,  
 PROPERTY INCOME INVESTORS 304, LLC,  
 PROPERTY INCOME INVESTORS 201, LLC,  
 PROPERTY INCOME INVESTORS 3504, LLC,  
 PROPERTY INCOME INVESTORS 1361, LLC,  
 PROPERTY INCOME INVESTORS 4020, LLC,  
 PROPERTY INCOME INVESTORS 9007, LLC,  
 PROPERTY INCOME INVESTORS 417, LLC,  
 PROPERTY INCOME INVESTORS 4450, LLC,  
 PROPERTY INCOME INVESTORS 3050, LLC,  
 LARRY B. BRODMAN and ANTHONY  
 NICOLOSI (f/k/a ANTHONY PELUSO),

Defendants.

Name and address of Claimant  
 (Please print or type):

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Case Number: 21-61176-civ-Singhal  
 U.S. District Court Southern District of Florida

**ATTENTION:** The Honorable Raaj Singhal of the United States District Court, Southern District of Florida, entered an order appointing Miranda L. Soto as Receiver over the assets of the above-captioned Defendants Property Income Investors, LLC; Equinox Holdings, Inc.; Property Income Investors 26, LLC; Property Income Investors 304, LLC; Property Income Investors 201, LLC; Property Income Investors 3504, LLC; Property Income Investors 1361, LLC; Property Income Investors 4020, LLC; Property Income Investors 9007, LLC; Property Income Investors 417, LLC; Property Income Investors 4450, LLC; and Property Income Investors 3050, LLC (individually, a “**Receivership Entity**,” and collectively, “**Receivership Entities**”). On \_\_\_\_\_, the Court issued an order establishing a Claim Bar Date for all claims and approving this Proof of Claim Form and the basic procedures to administer any claims. To be eligible to receive a distribution from the Receivership Entities’ assets, you must complete and return this Proof of Claim Form and, if applicable, provide the requested documentation, so that it is received on or before \_\_\_\_\_, to Miranda L. Soto, as Receiver, c/o Jordan D. Maglich, Esquire, Buchanan Ingersoll & Rooney PC, One Biscayne Tower, 2 S. Biscayne Blvd., Suite 1500, Miami, Florida 33131-1822. The Completed Proof of Claim Form may also be sent by fax (305-347-4089) or email ([piireceiver@bipc.com](mailto:piireceiver@bipc.com)) only if received by the Receiver on or before the Claim Bar Date and the original executed Proof of Claim Form is received by the Receiver no later than three (3) days after transmission of the facsimile and/or email. *The proper submission of this completed claim form may entitle you to receive a distribution from the Receivership. Altered or modified forms will not be accepted.*

The information provided in this Proof of Claim Form will be used to determine your distribution, if any, from the Receivership. The Receiver has the right to dispute and/or verify any information you have provided to determine the proper distribution amount, if any, to which you may be entitled. The Receiver further has the right to amend any information she may have provided as to your Net Investment Amount. **By identifying and providing a Net Investment Amount for an investor the Receiver does not waive any right to (1) deny, contest the validity of, or otherwise object to a claim or (2) if warranted, amend the provided Net Investment Amount.**

**IMPORTANT INFORMATION TO READ PRIOR TO SUBMITTING THIS FORM**

ANY PERSON OR ENTITY SUBMITTING THIS PROOF OF CLAIM FORM SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE ABOVE-CAPTIONED COURT FOR ALL PURPOSES, INCLUDING, WITHOUT LIMITATION, AS TO ANY CLAIMS, OBJECTIONS, DEFENSES, OR COUNTERCLAIMS THAT COULD BE OR HAVE BEEN ASSERTED BY THE RECEIVER AGAINST SUCH CLAIMANT OR THE HOLDER OF SUCH CLAIM IN CONNECTION WITH THIS RECEIVERSHIP, INCLUDING, THOSE ARISING OUT OF (1) ANY DEALING OR BUSINESS TRANSACTED BY OR WITH ANY RECEIVERSHIP ENTITY AND/OR (2) ANY DEALING OR BUSINESS TRANSACTED THAT RELATES IN ANY WAY TO ANY RECEIVERSHIP PROPERTY. CLAIMANT FURTHER AGREES BY MAKING THIS SUBMISSION TO WAIVE ANY RIGHT TO A JURY TRIAL WITH RESPECT TO SUCH CLAIMS, OBJECTIONS, DEFENSES, AND COUNTERCLAIMS.

IF THIS COMPLETED FORM, SIGNED UNDER PENALTY OF PERJURY, IS NOT RECEIVED BY THE RECEIVER AT THE ABOVE-REFERENCED ADDRESS BY \_\_\_\_\_, **2022**, YOU WILL BE FOREVER BARRED FROM ASSERTING ANY CLAIM AGAINST THE RECEIVERSHIP ENTITIES' ASSETS AND YOU WILL NOT BE ELIGIBLE TO RECEIVE ANY DISTRIBUTIONS FROM THE RECEIVER.

**General Instructions:**

You **must** answer each and every question on the following pages. If you are an investor, however, you do not need to answer questions 17-19, which are specific to Non-Investor Claimants. Similarly, Non-Investor Claimants do not need to answer questions 8-16, which are specific to Investor Claimants. Please answer each question applicable to you as fully as possible. If you need additional space to complete an answer, please attach a separate sheet of paper and indicate the number of the question for which you are providing the additional information. If the question does not apply to you, please write "not applicable." If the answer to the question is "no" or "none," please answer as such.

1. Full name of the Claimant (the person or entity making this claim to Receivership assets). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
2. If this form is being completed by a person other than the Claimant or on behalf of an entity, please provide the full name, address, telephone number, and email address of the person completing this form and the basis for that person's authority to act on the Claimant's behalf. **If you are a power of attorney, trustee, or other fiduciary completing this form on behalf of the Claimant in question 1, you must provide documentation with this Proof of Claim Form reflecting your legal authority to do so.**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
3. If this form is being completed on behalf of an entity, please provide the full names of the entity's officers, directors, trustees, managing agents, shareholders, partners, beneficiaries, and any other party with an interest in the entity. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
4. Provide **one** mailing address where the Claimant authorizes the receipt of all future communications relating to this claim, including any possible distribution payment the Claimant may receive. It is the Claimant's sole responsibility to advise the Receiver of any change to this address after the submission of this form.



5. Provide **one** email address for the Claimant where the Claimant authorizes the receipt of all future electronic communications relating to this claim. It is the Claimant's sole responsibility to advise the Receiver of any change to this email address after the submission of this form.

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Do you consent to the receipt of electronic communications from the Receiver in lieu of mailed communications where feasible and in the Receiver's discretion? Yes \_\_\_ No \_\_\_

6. Provide **one** telephone number for the Claimant. It is the Claimant's sole responsibility to advise the Receiver of any change to this telephone number after the submission of this form. \_\_\_\_\_

7. Provide the basis for your claim (please check applicable boxes):

- Investor  
 Provided Goods or Services to a Receivership Entity  
 Other (specify basis) \_\_\_\_\_

If you are **not** an investor, write "Not Applicable" to questions 8 through 16. If you **are** an investor, write "Not Applicable" to questions 17 through 19. All Claimants **must** answer questions 1-7 and question 20.

#### **Questions Specific to Investors**

8. Please refer to Exhibit A attached to this document. If sufficient information is available, this Exhibit provides the following information: (1) the total amount invested; (2) the total payments received; and (3) the Net Investment Amount. Do the amounts listed in the Exhibit accurately represent the total amount of your investment and all funds you received related to this investment? Failure to respond to this question will mean that you agree with the amounts listed in the Exhibit.

\_\_\_\_\_ Yes, I agree with the amounts listed. \_\_\_\_\_ No, I do not agree with the amounts listed.

If you answered yes, you do not have to respond to questions 9, 10, and 11. If you answered no, you must answer questions 9, 10, and 11 and provide copies of the documents requested.

9. Please provide the following information regarding your investment in or with, or interest in, any Receivership Entity, and attach copies of all checks, bank or other financial account statements, invoices, wire transfer confirmations, and other documents relating to your answer.

1<sup>st</sup> investment in or with the Receivership Entities:

totaled \$ \_\_\_\_\_ and was made on \_\_\_\_\_ (date); through a check (or wire transfer) made payable to \_\_\_\_\_ and drawn on account number \_\_\_\_\_ with \_\_\_\_\_ (identify financial institution).

If applicable, 2<sup>nd</sup> investment in or with the Receivership Entities:

totalled \$ \_\_\_\_\_ and was made on \_\_\_\_\_ (date); through a check (or wire transfer) made payable to \_\_\_\_\_ and drawn on account number \_\_\_\_\_ with \_\_\_\_\_ (identify financial institution).

If additional investments were made, please attach a separate sheet identifying (1) those amounts, (2) the dates on which they were made, (3) the payee of the check (or recipient of the wire transfer), and (4) the account number and financial institution on which the check was drawn or the wire transfer initiated.

**Total amount you are claiming you invested with the Receivership Entities: \$ \_\_\_\_\_**

10. Have you ever received any money from a Receivership Entity, including any "interest" payment, "distribution," "return of principal," "profits," or "referral fee" relating to your investment or for any other reason?        Yes        No. If yes, please provide the following information for each amount received, and attach copies of all checks, bank or other financial account statements, wire transfer confirmations, and other documents relating to your answers.

	<u>Date</u>	<u>Amount</u>	<u>Payor/Payee of check/wire</u>
A.	_____	_____	_____
B.	_____	_____	_____
C.	_____	_____	_____

If any additional amounts were received from any Receivership Entity, please attach a separate sheet identifying those amounts, the dates on which they were received, and the payor and payee of the check(s) or wire transfers.

**Total amount you are claiming you received from the Receivership Entities: \$ \_\_\_\_\_**

11. **State the total amount of your claim (this is the amount that you are claiming you are owed from the Receivership which is calculated by subtracting any amounts you received from the Receivership Entities from the total amount you invested with the Receivership Entities): \$ \_\_\_\_\_**

12. Did you receive any other funds or anything of value other than money (for example, a car or shares of stock) from any Receivership Entity or anyone acting on their behalf? Yes    No   . If yes, please identify how much or what you received, from whom, and the date it was received. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Provide the name of the person or persons who solicited your investment in or with the Receivership Entities.  
\_\_\_\_\_  
\_\_\_\_\_

14. Please explain the way in which you came to learn about Equinox Holdings and/or Property Income Investors and thereafter invest in or with them, including the person who introduced you to these entities, the statements made by that person, any documents provided by that person, meetings you had with the representative(s) of those entities, information that you relied on, and any other information.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15. Are you related by blood or marriage to any of the individual defendants? \_\_\_\_ Yes \_\_\_\_ No.  
If yes, to whom are you related and what is the relationship. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16. Did you receive any commissions, referral fees, compensation for the referral of clients, or any other compensation of any nature from any Receivership Entity? \_\_\_\_ Yes \_\_\_\_ No. If yes, please identify how much or what you received, from whom, and the date it was received. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Questions Specific To Non-Investor Claimants**

17. If you were not an investor, state with specificity how you claim an interest in any distribution by the Receivership Entities (for example, you provided goods or services to a Receivership Entity for which you have not been paid). \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18. State the amount you claim you are owed by any Receivership Entity. \$ \_\_\_\_\_  
Attach copies of all documents relating to your claim (for example, copies of all invoices submitted to a Receivership Entity and copies of records of all payments received from same). If you delivered goods to a Receivership Entity, include a copy of the document confirming receipt by a representative of the Receivership Entity.

19. Identify your contact person or persons at the Receivership Entities. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question for all Claimants:**

20. Have you sued, threatened suit, or otherwise commenced any lawsuits, arbitrations, actions, or other proceedings, or made any demands against any person or entity relating in any way to your claim and/or any Receivership Entity? \_\_\_\_ Yes \_\_\_\_ No. If yes, identify the nature and status of any such action, the date the action was initiated, the name of the attorney who commenced the action, and the amount of any money you received in connection with any such action. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Send this completed and signed, under penalty of perjury, Proof of Claim Form and legible copies of any documentation requested in this form to **Miranda L. Soto, as Receiver, c/o Jordan D. Maglich, Esquire, Buchanan Ingersoll & Rooney PC, One Biscayne Tower, 2 S. Biscayne Blvd., Suite 1500, Miami, Florida 33131-1822, Fax (305-347-4089), or Email ([piireceiver@bipc.com](mailto:piireceiver@bipc.com))** SO THAT IT IS RECEIVED NO LATER THAN \_\_\_\_\_. Facsimile and email copies of Proof of Claim Forms will be accepted only if received by the Receiver on or before the Claim Bar Date and the **original** executed Proof of Claim Form is received by the Receiver no later than three (3) days after transmission of the facsimile and/or email.

IF YOU DO NOT AGREE WITH ANY AMOUNTS PROVIDED ON EXHIBIT A OR NO AMOUNTS WERE PROVIDED ON EXHIBIT A, YOU MUST PROVIDE COPIES OF ALL DOCUMENTS OR OTHER MATERIALS THAT ARE RELATED IN ANY WAY TO YOUR INVESTMENT IN THE RECEIVERSHIP ENTITIES, OR, IF YOU ARE NOT AN INVESTOR, TO YOUR CLAIM AGAINST A RECEIVERSHIP ENTITY, INCLUDING COPIES OF YOUR CANCELLED CHECKS, BANK OR OTHER FINANCIAL ACCOUNT STATEMENTS SHOWING ALL TRANSFERS OF FUNDS BETWEEN (OR FOR THE BENEFIT OF) YOU AND THE RECEIVERSHIP ENTITIES, STATEMENTS FROM THE RECEIVERSHIP ENTITIES, WIRE TRANSFER CONFIRMATIONS, AND ANY OTHER DOCUMENTS REGARDING YOUR CLAIM.

**By signing below, I certify under penalty of perjury pursuant to Florida law that the information provided in this form is true and correct and that I have sufficient authority and right to submit this claim on behalf of the specified Claimant. If this claim is being submitted by more than one person, all persons submitting the claim must sign below certifying under penalty of perjury that the information provide is true and correct.**

Signature of Claimant: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title (if any): \_\_\_\_\_



**EXHIBIT A**

Investor Name: \_\_\_\_\_

<b>Amount Invested:</b>	\$ _____
<b>Total Payments/Loans/Distributions:</b>	\$ _____
<b>Net Investment Amount:</b>	\$ _____

THE RECEIVER HAS PROVIDED THE ABOVE INFORMATION BASED UPON DOCUMENTS AVAILABLE TO HER. THESE FIGURES ARE BELIEVED TO BE ACCURATE AND REASONABLE CONCLUSIONS. PLEASE CAREFULLY REVIEW THE ABOVE AMOUNTS. IF THE NUMBERS PROVIDED ARE NOT CONSISTENT WITH YOUR RECORDS, IT IS YOUR OBLIGATION TO PROVIDE TRUE AND CORRECT INFORMATION TO THE RECEIVER. IF YOU CONFIRM THAT THE ABOVE AMOUNTS ACCURATELY REPRESENT THE AMOUNT YOU INVESTED, ALL AMOUNTS YOU RECEIVED RELATING TO THIS INVESTMENT, AND ANY OTHER FUNDS YOU RECEIVED FROM THE RECEIVERSHIP ENTITIES, YOU ARE DOING SO UNDER PENALTY OF PERJURY.

BY IDENTIFYING AND PROVIDING THE ABOVE FIGURES, THE RECEIVER DOES NOT WAIVE ANY RIGHT TO (1) DENY, CONTEST THE VALIDITY OF, OR OTHERWISE OBJECT TO A CLAIM OR, (2) IF WARRANTED, AMEND ANY OF THE PROVIDED FIGURES.

# **EXHIBIT 2**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 21-61176-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PROPERTY INCOME INVESTORS, LLC,  
EQUINOX HOLDINGS, INC.  
PROPERTY INCOME INVESTORS 26, LLC  
PROPERTY INCOME INVESTORS 304, LLC,  
PROPERTY INCOME INVESTORS 201, LLC,  
PROPERTY INCOME INVESTORS 3504, LLC,  
PROPERTY INCOME INVESTORS 1361, LLC,  
PROPERTY INCOME INVESTORS 4020, LLC,  
PROPERTY INCOME INVESTORS 9007, LLC,  
PROPERTY INCOME INVESTORS 417, LLC,  
PROPERTY INCOME INVESTORS 4450, LLC,  
PROPERTY INCOME INVESTORS 3050, LLC,  
LARRY B. BRODMAN and ANTHONY  
NICOLOSI (f/k/a ANTHONY PELUSO),

Defendants.

\_\_\_\_\_ /

**CLAIMS PROCESS INSTRUCTIONS**

TO ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST THE DEFENDANTS:

On June 7, 2021, the Securities and Exchange Commission (“**Commission**”) initiated this action against the Defendants seeking to stop a fraudulent securities offering and requested that the Court appoint a Receiver. As a result of this action, the Court appointed Miranda L. Soto as Receiver over the assets of Defendants Property Income Investors, LLC; Equinox Holdings, Inc.; Property Income Investors 26, LLC; Property Income Investors 304, LLC; Property Income Investors 201, LLC; Property Income Investors 3504, LLC; Property Income Investors 1361, LLC; Property Income Investors 4020, LLC; Property Income Investors 9007, LLC; Property Income Investors 417, LLC; Property Income Investors 4450, LLC; and Property Income Investors 3050, LLC (collectively, the “**Receivership Entities**”).

The Receiver and her professionals have spent considerable time and resources examining voluminous documents relating to the Receivership Entities. Based on this examination and to the extent possible, the Receiver has determined a “**Net Investment Amount**” for substantially all of the known investors. The Net Investment Amount for an investor is calculated by adding all amounts contributed by the pertinent investor and subtracting all payments made to that investor and/or in connection with that investment, regardless of whether those payments were characterized as “interest,” “earnings,” “returns or redemptions of principal,” “incentive fees,” “referral fees,” or any other terminology. For example, an investor who invested total funds of

\$100,000, and received \$10,000 in distributions in connection with that investment, would have a Net Investment Amount of \$90,000. If an investor made multiple investments over time, those investments and any and all transfers to that investor related to those investments would be combined in one Net Investment Amount. For example, an investor who invested \$10,000 in January 2016, received “distributions” in the total amount of \$2,000 on this investment, and also invested \$40,000 in November 2016 and received “distributions” in the total amount of \$8,000 on that investment, would have a total investment amount of \$50,000 and total payments of \$10,000 for a resulting Net Investment Amount of \$40,000.

The Net Investment Amount will serve as the basis for determining the recipients and amounts of distributions for victim investors. **By identifying and providing a Net Investment Amount (as may be provided in the Proof of Claim Forms mailed to investors where the Receiver has determined to do so), the Receiver does not waive any right to (1) deny, contest the validity of, or otherwise object to a claim or (2) if warranted, amend the provided Net Investment Amount.** If amendment of a Net Investment Amount is warranted, the Receiver will provide notice of the amendment to the affected investor and give the investor an opportunity to respond.

On \_\_\_\_\_, 2022, the Court entered an Order establishing \_\_\_\_\_, **2022** (the “**Claim Bar Date**”) as the last date for each person or entity (including individuals, partnerships, corporations, joint venturers, estates, trusts, and governmental units) to submit a claim against the Receivership Entities.

Any person or entity that submits a claim submits to the exclusive jurisdiction of the United States District Court for the Southern District of Florida for all purposes, including, without limitation, as to any claims, objections, defenses, or counterclaims that could be or have been asserted by the Receiver against such Claimant or the holder of such claim in connection with this Receivership, including those arising out of (1) any dealing or business transacted by or with any Receivership Entity or (2) any dealing or business transacted that relates in any way to any Receivership property. Further, Claimants waive any right to a jury trial with respect to such claims, objections, defenses, and counterclaims.

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## 1. WHO MUST FILE A PROOF OF CLAIM FORM

If you think that you are owed money by any of the Receivership Entities or that you may otherwise have a claim against them, you **MUST** file a Proof of Claim Form to share in distributions from the Receivership. A claim based on acts or omissions of any Receivership Entity must be filed on or before the Claim Bar Date, even if such claim is not now mature, fixed, liquidated, or certain, or does not become mature, fixed, liquidated, or certain before the Claim Bar Date.

## 2. WHAT TO FILE

To make the process less burdensome for investors, the Court authorized the Receiver to provide a Net Investment Amount on an attachment to the Proof of Claim Form for each investor for whom the Receiver has sufficient reliable information to do so. If you were provided a Net Investment Amount on the attachment to the Proof of Claim Form you received and you agree with the amounts identified, then you do not need to provide to the Receiver any documentation supporting your claim. However, you **must** still complete and sign the Proof of Claim Form under penalty of perjury and return it to the Receiver so that it is **received** on or before the Claim Bar Date, as specified in section 3 below.

If you disagree with the Net Investment Amount provided on the attachment to the Proof of Claim Form that you received or no Net Investment Amount was identified on the attachment to the Proof of Claim Form, you must provide to the Receiver by the Claim Bar Date (1) the amounts you contend are the correct amounts you invested in and received from any Receivership Entity and (2) legible copies of all documents on which you base your claim or, if documents are not available, a detailed explanation as to why the documents are not available.

If you were not an investor but believe you are or may be a creditor of one or more of the Receivership Entities, you must complete, sign and provide a Proof of Claim Form to the Receiver by the Claim Bar Date specifying (1) the amount you contend you are owed from any Receivership Entity; (2) any amounts received from any Receivership Entity; and (3) legible copies of all documents on which you base your claim (i.e., all invoices for goods or services provided, loan documents, etc., as applicable) or, if documents are not available, a detailed explanation as to why the documents are not available.

If you invested in your individual name and also in the name of your individual retirement account (“IRA”) or jointly with another person or entity, you will receive multiple Proof of Claim Forms. You **must** complete, sign, and return each Proof of Claim Form you receive to preserve all of your claims. Failure to timely return a completed and signed Proof of Claim Form for a claim will forever bar any claim related to that investment.

If the Receiver discovers that the Net Investment Amount provided on an attachment to the Proof of Claim Form is not accurate, the Receiver will amend the Net Investment Amount and provide notice of the amendment to the investor. The investor then will have the later of either (1) the Claim Bar Date or (2) thirty (30) days from the date of the written notice provided to the investor to return an amended Proof of Claim Form to the Receiver. Failure to timely return a completed and signed amended Proof of Claim Form for a claim will forever bar any claim related to that investment.

Similarly, subject to the Receiver's discretion, the Receiver may send notice of a deficiency in a submitted Proof of Claim Form to you. You will then have the later of either the Claim Bar Date or thirty (30) days from the date of the written notice of deficiency provided to you to correct the deficiency as directed by the Receiver. The Receiver also reserves the right to request additional information from any Claimant. If you receive a request for additional information, you will have the same amount of time as is allowed for curing a deficiency to provide the additional information requested. Failure to cure a deficiency or provide additional information may result in denial of your claim.

Each Proof of Claim Form submitted **must** conform substantially to the Proof of Claim Form approved by the Court and provide responses to all of the questions in the Proof of Claim Form that either (1) was mailed to you along with these Instructions or (2), if you have not received one by mail, was posted on the Receiver's website at [www.propertyreceivership.com](http://www.propertyreceivership.com). A copy of a Proof of Claim Form also may be obtained by sending a request to [piireceiver@bipc.com](mailto:piireceiver@bipc.com) or calling Jordan D. Maglich at (813) 222-2098.

Each Proof of Claim Form submitted **must** be signed under penalty of perjury by the Claimant or, if the Claimant is not an individual, by an authorized agent of the Claimant. By signing the Proof of Claim Form the Claimant attests that all information, including any information provided by the Receiver is true and correct. Each Proof of Claim Form **must** be legible, written in English, and denominated in United States currency.

It is your sole responsibility to advise the Receiver of any change to your mailing address, email address, and telephone number after you submit a claim to ensure that you receive any and all future communications regarding your claim, including any possible distribution payment you may be entitled to receive.

The Receiver will recommend to the Court that any properly completed and timely filed claim be considered allowed if it is established that: (1) the claim arises from or in connection with the fraudulent investment scheme set forth in the complaint filed by the Commission in this action; (2) losses recognized by law resulted from such activities; (3) any alleged claim and losses are supported by appropriate documentation and are consistent with the books and records available to the Receiver; and (4) no ground exists for denying the claim.

### **3. WHEN AND WHERE TO FILE**

Except as provided for herein, original Proof of Claim Forms must be delivered to the Receiver by mail, fax, or email so as to be **received on or before** \_\_\_\_\_, **2022** at the following:

Miranda L. Soto, Receiver  
c/o Jordan D. Maglich, Esq.  
Buchanan Ingersoll & Rooney PC  
One Biscayne Tower  
2 S. Biscayne Blvd., Suite 1500  
Miami, FL 33131-1822  
Fax: (305) 347-4089  
Email: [piireceiver@bipc.com](mailto:piireceiver@bipc.com)

DO NOT SEND YOUR PROOF OF CLAIM FORM TO THE COURT OR JUDGE PRESIDING OVER THIS CASE.

Facsimile and email copies of Proof of Claim Forms will be accepted only if received by the Receiver on or before the Claim Bar Date and the original executed Proof of Claim Form is received by the Receiver no later than three (3) days after transmission of the facsimile and/or email. Failure to provide an original executed Proof of Claim Form within the time specified may result in denial of the claim. Facsimile copies must be sent to (305) 347-4089 to the attention of Miranda L. Soto, Receiver c/o Jordan D. Maglich, and email copies must be sent to [piireceiver@bipc.com](mailto:piireceiver@bipc.com). It is the Claimant's responsibility to ensure that Proof of Claim Forms are delivered to and received by the Receiver.

**4. CONSEQUENCES OF FAILURE TO FILE A CLAIM BY THE BAR DATE**

ANY HOLDER OF A CLAIM OR POTENTIAL CLAIM THAT FAILS TO FILE A PROOF OF CLAIM FORM (1) THAT FULLY COMPLIES WITH ALL REQUIREMENTS SET FORTH HEREIN AND (2) BY THE CLAIM BAR DATE WILL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH CLAIM AGAINST THE RECEIVERSHIP ENTITIES, THEIR SUCCESSORS, THEIR RESPECTIVE PROPERTY, THE RECEIVER, OR THE RECEIVERSHIP, AND FROM PARTICIPATING IN ANY DISTRIBUTION FROM THIS RECEIVERSHIP.

**A holder of a claim or potential claim against a Receivership Entity may wish to consult an attorney regarding this claims process. The firm of Buchanan Ingersoll & Rooney PC acts as attorneys for the Receiver and its lawyers cannot give personal legal or other advice to Claimants.**

Dated \_\_\_\_\_, 2021, Miami, Florida.



# **EXHIBIT 3**

**NOTICE OF DEADLINE REQUIRING FILING OF  
PROOF OF CLAIM FORM ON OR BEFORE  
\_\_\_\_\_, 2022**

**TO ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST ANY OF THE CORPORATE  
DEFENDANTS** (the “Receivership Entities”) in connection with the matter:

**Securities and Exchange Commission, Plaintiff v. Property Income Investors, LLC;  
Equinox Holdings, Inc.; Property Income Investors 26, LLC; Property Income Investors  
304, LLC; Property Income Investors 201, LLC; Property Income Investors 3504, LLC;  
Property Income Investors 1361, LLC; Property Income Investors 4020, LLC; Property  
Income Investors 9007, LLC; Property Income Investors 417, LLC; Property Income  
Investors 4450, LLC; and Property Income Investors 3050, LLC, Larry B. Brodman, and  
Anthony Nicolosi (f/k/a Anthony Peluso), Defendants**

**Case No. 0:21-cv-61176 (S.D. Fla.)**

Notice is hereby given that, on \_\_\_\_\_, the Honorable Raaj Singhal of the United States District Court, Southern District of Florida, issued an order establishing a claims process for the submission of claims to the assets of the Receivership Entities. The order establishes a Claim Bar Date of \_\_\_\_\_, as the last date for each person or entity (including individuals, partnerships, corporations, joint ventures, estates, trusts, and governmental units) to submit a claim against the Receivership Entities. Failure to timely submit a completed and signed Proof of Claim Form by the Claim Bar Date will forever bar any claim you may have. Information concerning the claims process and all related documents and the Proof of Claim Form necessary to submit a claim may be obtained from the Receiver’s website at [www.propertyiireceivership.com](http://www.propertyiireceivership.com), or by requesting a copy from the Receiver by email to [piireceiver@bipc.com](mailto:piireceiver@bipc.com) or by telephone call to Jordan D. Maglich at (813) 222-2098.

# **EXHIBIT 4**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO.: 21-61176-CIV-SINGHAL

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PROPERTY INCOME INVESTORS, LLC,  
EQUINOX HOLDINGS, INC.  
PROPERTY INCOME INVESTORS 26, LLC  
PROPERTY INCOME INVESTORS 304, LLC,  
PROPERTY INCOME INVESTORS 201, LLC,  
PROPERTY INCOME INVESTORS 3504, LLC,  
PROPERTY INCOME INVESTORS 1361, LLC,  
PROPERTY INCOME INVESTORS 4020, LLC,  
PROPERTY INCOME INVESTORS 9007, LLC,  
PROPERTY INCOME INVESTORS 417, LLC,  
PROPERTY INCOME INVESTORS 4450, LLC,  
PROPERTY INCOME INVESTORS 3050, LLC,  
LARRY B. BRODMAN and ANTHONY  
NICOLOSI (f/k/a ANTHONY PELUSO),

Defendants.

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**ORDER GRANTING RECEIVER'S MOTION TO ESTABLISH AND APPROVE (i)  
PROOF OF CLAIM FORM AND CLAIM BAR DATE; (ii) PROCEDURES TO  
ADMINISTER, REVIEW, AND DETERMINE CLAIMS; AND (iii) NOTICE  
PROCEDURES AND INCORPORATED MEMORANDUM OF LAW**

This cause comes before the Court for consideration of the Receiver's Motion to Establish and Approve (i) Proof of Claim Form and Claim Bar Date; (ii) Procedure to Administer, Review, and Determine Claims; and (iii) Notice Procedures and Incorporated Memorandum of Law (the "Motion") (Doc. \_\_\_\_).

Having considered the Motion, and being otherwise fully advised, it is **ORDERED AND ADJUDGED** that:

1. The Motion is **GRANTED**.
2. Each person or entity that asserts a claim against the Receivership arising out of or related in any way to the acts, conduct, or activities of the Receivership Entities and the fraudulent investment scheme set forth in the complaint filed by the Securities and Exchange Commission in this action must submit an original, written Proof of Claim Form, as attached to the Motion as Exhibit 1, to the Receiver, Miranda L. Soto, c/o Jordan D. Maglich, Esq., Buchanan Ingersoll & Rooney PC, One Biscayne Tower, 2 S. Biscayne Blvd., Suite 1500, Miami, Florida 33131-1822, Fax (305) 347-4089, Email: piireceiver@bipc.com, **to be received on or before 90 days from the mailing of the Proof of Claim Form to known possible Claimants (the "Claim Bar Date")**. Any person or entity that fails to submit a claim to the Receiver on or before the Claim Bar Date (*i.e.*, fails to take the necessary steps to ensure that the Proof of Claim Form is delivered to and received by the Receiver on or before the Claim Bar Date), shall be forever barred and precluded from asserting any claim against any Receivership Entity or the Receivership. The Claim Bar Date will apply to all creditors and victims with a prospective claim against any of the Receivership Entities.
3. The notice procedures for the Claim Bar Date provided in the Motion shall be sufficient and reasonably calculated to provide notice to all creditors if made by (a) UPS or Federal

Express to the last known addresses of known potential Claimants, (b) by publication on one day in the national edition of *The Wall Street Journal* and on one day in the local edition of *The Sun-Sentinel*, and (c) by publication on the Receiver's website at [www.propertyreceivership.com](http://www.propertyreceivership.com). The Notice shall be in substantially the form attached to the Motion as Exhibit 3. The Court hereby authorizes that the costs of publication be paid directly from Receivership assets.

4. The Proof of Claim Form attached to the Motion as Exhibit 1 and the claims administration procedures set forth in the Motion as well as the Claims Process Instructions attached as Exhibit 2 to the Motion are approved.

DONE AND ORDERED at Fort Lauderdale, Florida, this \_\_\_\_ day of \_\_\_\_\_, 2022.

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**UNITED STATES DISTRICT COURT JUDGE**