

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

Case No: 6:21-cv-694-CEM-DCI

HARBOR CITY CAPITAL CORP.,
HARBOR CITY VENTURES, LLC,
HCCF-1, LLC,
HCCF-2, LLC,
HCCF-3, LLC,
HCCF-4, LLC,
HCCF-5, LLC,
HARBOR CITY DIGITAL VENTURES, INC.,
HCC MEDIA FUNDING, LLC,
JONATHAN P. MARONEY,

Defendants,

and

CELTIC ENTERPRISES, LLC and
TONYA L. MARONEY

Relief Defendants.

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**RECEIVER'S UNOPPOSED MOTION TO
MODIFY THE ASSET FREEZE TO ALLOW FOR
SALE OF MERCEDES AND JET SKIS**

Katherine C. Donlon, the Court-appointed Receiver, by and through undersigned counsel, hereby files this Unopposed Motion to Modify the Asset

Freeze to Allow for Sale of Mercedes and Jet Skis. In support of the motion, the Receiver states as follows:

BACKGROUND

The Securities and Exchange Commission brought this enforcement action on April 20, 2021 (Doc. 1). The Court issued a Temporary Restraining Order on April 21, 2021 (Doc. 6) That Order also froze the assets of the Defendants and Relief Defendants. Certain of the assets included in that asset freeze were a 2020 Mercedes-Benz S class convertible, VIN: WDDXK8DB8LA041094 (the “Mercedes”) owned by defendant Jonathan Maroney and relief defendant Tonya Maroney. Additionally, there are four (4) jet skis owned by the defendant Jonathan Maroney and relief defendant Tonya Maroney that were also frozen by virtue of the Court’s Order.

On November 8, 2021, this Court entered an Order Granting Plaintiff Securities and Exchange Commission’s Unopposed Motion for Appointment of Receiver (“Order”) which appointed Katherine C. Donlon as Receiver over the corporate defendants in this case as well as relief defendant Celtic Enterprises (“Receivership Entities”). (Doc. 751).

In March 2022, the Maroneys vacated their home at 143 Lansing Island Drive, which was held in the name of Celtic Enterprises, a Receivership Entity. At that time, the Receiver took possession of that property. Leading up to the handoff of this property, the SEC, counsel for Mr. Maroney, and the Receiver

negotiated the possession of the Maroneys' vehicles and the jet skis. Mr. Maroney agreed to turn over the Mercedes and four jet skis for the benefit of the Receivership Estate, leaving them at 143 Lansing Island Drive. Unfortunately, the titles were never transferred on the vehicles.

The Receiver has been in contact with Melbourne Mercedes who has offered to purchase the Mercedes for \$93,000. Upon information and belief, there is an outstanding lien on the vehicle held by Truist in the approximate amount of \$54,624.68. As the Court has approved the sale of 143 Lansing Island Drive and a closing is impending, the Receiver recommends selling the vehicle rather than paying for storage of the vehicle while title is being transferred on the vehicle.

Further, as to the jet skis, the Receiver received an offer from Route 1 Motorsports for \$15,000.00 for all four (4) jet skis. The Receiver offered the four (4) jet skis to the buyers of the 143 Lansing Island Drive property for this same price, and the buyers have agreed to purchase the four (4) jet skis for \$15,000.00.

To that end, the SEC, Mr. Maroney and Receiver respectfully request that the Court modify the asset freeze allowing the sale of the Mercedes by the Maroneys to Melbourne Mercedes with the net proceeds being paid to the

Receiver for the benefit of the Receivership Estate.¹ Further, the Receiver requests that the Court modify the asset freeze allowing the sale of the four (4) jet skis to the buyers of the 143 Lansing Island Drive property. This will streamline the sales process of these assets and avoid the need to first transfer the title of these vehicles to the Receiver and then to sell them.

ARGUMENT

A court imposing a receivership assumes custody and control of all assets and property of the receivership, and it has broad equitable authority to issue all orders necessary for the proper administration of the receivership estate. *See S.E.C. v. Credit Bancorp Ltd.*, 290 F.3d 80, 82-83 (2d Cir. 2002); *S.E.C. v. Wencke*, 622 F.2d 1363, 1370 (9th Cir. 1980). The court may enter such orders as may be appropriate and necessary for a receiver to fulfill his duty to preserve and maintain the property and funds within the receivership estate. *See Official Comm. of Unsecured Creditors of Worldcom, Inc. v. S.E.C.*, 467 F.3d 73, 81 (2d Cir. 2006); *see also Atl. Trust Co. v. Chapman*, 208 U.S. 360, 371 (1908) (“It is the court itself which has the care of the property in dispute. The receiver is but the creature of the court; he has no powers except such as are conferred upon him by the order of his appointment and the course and practice

¹ In the event that the net proceeds cannot be paid directly to the Receiver, the parties would request that the Court’s Order require the Maroneys to immediately transfer any proceeds from the sale of the Mercedes to the Receiver.

of the court.”).

Any action taken by a district court in the exercise of its discretion is subject to great deference by appellate courts. *See United States v. Branch Coal*, 390 F.2d 7, 10 (3d Cir. 1969); *see also Bendall v. Lancer Mgmt. Grp., LLC*, 523 Fed.Appx. 554, 557 (11th Cir. 2013) (“[A]ny action by a trial court in supervising an equity receivership is committed to his sound discretion and will not be disturbed unless there is a clear showing of abuse.”) (internal citation and quotation omitted); *S.E.C. v. Pension Fund of Am. L.C.*, 377 Fed.Appx. 957, 961 (11th Cir. 2010) (same); *MOBE Ltd.*, 2021 WL 50335, at *1; *E.M. Sys. & Servs., LLC*, 2016 WL 11110381, at *2 (same). Such discretion is especially important considering that one of the ultimate purposes of a receiver’s appointment is to provide a method of gathering, preserving, and ultimately liquidating assets to return funds to creditors. *See S.E.C. v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 373 (5th Cir. 1982) (court overseeing equity receivership enjoys “wide discretionary power” related to its “concern for orderly administration”) (citations omitted).

Wherefore, the Receiver respectfully requests that the Court modify the asset freeze to allow the Receiver or the Maroneys to sell the Mercedes to Melbourne Mercedes for \$93,000.00, and to allow the Receiver or the Maroneys to sell the jet skis to the buyers of the 143 Lansing Island Drive property for

\$15,000.00, with the net proceeds from each of these sales to be paid to the Receiver for the benefit of the Receivership Estate.

LOCAL RULE 3.01(G) CERTIFICATION

The Receiver has conferred with counsel for the Securities and Exchange Commission who has no objection to the relief sought herein. The Receiver contacted Mr. Maroney prior to filing this Motion, but he did not respond. However, Mr. Maroney indicated on December 7, 2022 that he had no objection to the sale of the Mercedes.

Dated: April 28, 2023

Respectfully submitted,

/s/ Nicole Deese Newlon

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Counsel for Receiver

Katherine Donlon

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 28, 2023, a true and correct copy of the foregoing was electronically filed with the United States District Court, Middle District of Florida, by using the CM/ECF System, which will serve a copy on all counsel of record.

/s/ Nicole Deese Newlon
Attorney