

**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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**THE RECEIVER'S SEVENTH QUARTERLY STATUS REPORT**

Receivership Information and Activity from April 1, 2023  
through June 30, 2023

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## **INTRODUCTION**

Katherine C. Donlon, the Court-appointed Receiver over the assets of the above-captioned corporate defendants and relief defendants (the “**Receiver**” and the “**Receivership**” or “**Receivership Estate**”), files this Seventh Quarterly Status Report to inform the Court, investors, creditors, and others interested in this Receivership of activities to date as well as the Receiver’s proposed course of action. For a complete report of the Receiver’s activities to date, the Receiver refers the reader to her previous reports. [Docs. 81, 85, 101, 120, 138, and 152]. These reports can also be found on the Receiver’s informational website, [www.harborcityreceivership.com](http://www.harborcityreceivership.com). The Receiver will continue to update the website regarding the Receiver’s most significant actions, important Court filings, and other items that might be of interest to the public. This Seventh Quarterly Status Report, as well as all subsequent reports, will be posted on the Receiver’s website.

### **Overview of Significant Activities During this Reporting Period**

During the time covered by this Seventh Quarterly Status Report, the Receiver and her professionals engaged in the following significant activities:

- As it relates to the most significant asset of the Receivership, 143 Lansing Island Drive, the following occurred:

- Continued efforts to resolve the ongoing issues relating to the pending foreclosure of the 143 Lansing Island Drive property, including efforts to resolve the demand for attorney's fees and interest asserted by the foreclosure attorneys in an effort to move forward with respect to sale of property;
  - Reviewed the Court's Report and Recommendation as to the sale of the Property.
  - Mediate with Mortgage Holder as to fees, interest, and principle demands.
  - Draft and prepare settlement agreement on terms agreed to by parties at mediation.
  - Confirm dismissal of state court and appellate court proceedings as to state court foreclosure action.
- Communicate with title agent and lienholders regarding satisfaction of liens;
- Communicate with title agent regarding closing on the sale of the property at 143 Lansing Island Drive;
- Close on the sale of the property on April 28, 2023;
- Addressed removal of assets, including vehicle, from property;
- Draft motion to lift asset freeze to sell jet skis and vehicle;
- Draft motion for J. Maroney to show cause why he should not be held in contempt of court for refusing to provide title to sell jet skis and vehicle;
- Continued to field telephone calls and emails from investors and maintained the Receiver's website [www.harborcityreceivership.com](http://www.harborcityreceivership.com).

The above activities are discussed in more detail in the pertinent sections of this Seventh Quarterly Status Report.

### **ACTIONS TAKEN BY THE RECEIVER**

#### **1. Securing the Receivership Estate**

##### **A. Fund Accounting**

Attached as Exhibit 1 is the Fund Accounting for the quarter ending June 30, 2023. The ending Fund Balance as of June 30, 2023 is \$254,655.06. This cash accounting report does not reflect non-cash or cash-equivalent assets. Thus, the value of any property discussed below is not included in the accounting report. The Court approved disbursements to the Receiver and Other Professionals for the past quarter, but no disbursements had been made given the lack of funds. After the sale of the Property at 143 Lansing Island Drive was accomplished, the Receiver and her Professionals received \$73,709.33. The proceeds from the sale of the Property at 143 Lansing Island Drive and the jet skis are included in the Fund Accounting.

##### **B. Sale of and Closing on Real Property**

As reported previously, the Court approved the Receiver's sale of the property located at 143 Lansing Island Drive for 2,925,000.00. (Doc. 113, 118). However, the Property was subject to a mortgage in favor of Benworth Capital for \$1,800,000.

Benworth Capital sought the recovery of \$1,800,000, plus unpaid and accrued interest, default interest at 25% per annum, plus applicable late fees, charges and other fees, costs and attorneys' fees. The payoff received from the mortgage holder in October 2022 included: \$671,919.60 in accrued interest; \$25,650.00 in attorneys' fees to Albert D. Rey, P.A.; \$3,851.00 in attorneys' fees to Becker & Poliakoff; \$6,759.00 in attorney's fees to Cole, Scott & Kissane; \$15,797.01 in attorneys' fees to Chris at the Carlyle Appellate Law Firm; and \$3,240.00 in attorneys' fees to Emmanuel Perez. The total the mortgage holder claimed, including principal balance, accrued interest, and attorney's fees, as well as other costs and expenses, was \$2,509,769.45.

Benworth Capital refused to provide a release of its mortgage, which otherwise clouded the title to the Property, absent payment in full of the above-described amounts. Though this Court ordered the sale of the Property, the Receiver could not provide clear title to the buyers, absent satisfaction of the mortgage and the release of Benworth Capital's lien. This Court entered an Order to Show Cause requiring Benworth Capital to explain why it should not be sanctioned and why the Court should not initiate civil contempt proceedings against it for continuing to litigate the foreclosure action in state court after being provided notice of the Court's

Order Staying Litigation. The parties briefed the issue, but the Order was subsequently discharged.

In April 2023, the Receiver mediated with the mortgage holder and a resolution was reached as to the issues with Benworth Capital, including the total due to satisfy the mortgage and to release the lien. The settlement amount of \$2,375,000.000 was paid to Benworth Capital at the closing on the sale of the Property on April 28, 2023.

Following the closing, Benworth Capital dismissed the state court foreclosure action and the appellate proceeding relating thereto.

#### **Efforts to Market and Sell the House**

The Lansing Island Property was in a state of disrepair and had not been well maintained. As mentioned in the Receiver's earlier Quarterly Reports, the Receiver entered into an agreement to sell the property for \$2,950,000 subject to certain repairs being made. The Receiver met her obligations in order to close on this existing contract for sale. Additionally, the Receivership continued to make payments for power, water, landscaping, and pool maintenance through the closing on April 28, 2023.

On October 7, 2022, the Receiver filed a motion with the Court to approve the sale. (Doc. 111). The Receiver published the required notice and received no bona fide offers. On October 25, 2022, the Court granted the

Receiver's motion to approve the sale. (Doc. 118). Further, in April 2023, this Court directed the Receiver to sell the Property, requiring that the liens attach to the proceeds from the sale of the Property, that the release of the funds to the mortgage holder should be for the amount of the remaining principal of mortgage and the interest at 9.75%, and that the remaining funds should be escrowed, pending further hearings by the Court. Subsequent to the entry of the Report and Recommendation, the parties reached a mediated settlement of the dispute.

**C. Identification of Personal Property**

In addition to the real property owned by Celtic Enterprises, the Receiver has possession of, although not title to, Mr. Maroney's 2020 Mercedes-Benz S class convertible and four jet skis docked at the Lansing Island Property. In April 2023, the Receiver filed a motion to modify the asset freeze and allow the Receiver, in coordination with Mr. Maroney, to sell these assets for the benefit of the Receivership. The Court entered the Agreed Order on Motion to Lift Stay on May 16, 2023. (Doc. 153) After receiving a number of offers, the Receiver sold the jet skis to the new owner of the Lansing Island Property for \$15,000 which was collected in this quarter. By selling to these buyers, the Receiver did not have to pay for transportation, storage or repairs to the jet skis.



After obtaining several valuations on the Mercedes, which is subject to a \$54,624.68 payoff due to Truist, the Receiver sold the vehicle to Mercedes of Melbourne. The car was titled in the name of Mr. and Mrs. Maroney. The Receiver finally was able to get the documents executed by the Maroneys for the sale of the vehicle. Mercedes of Melbourne made the payoff directly to Truist, who after quite a delay, recently released the lien. Mercedes of Melbourne will be making payment in the amount of \$38,375.32 to the Receivership in the next week.

**D. Identification of Additional Assets**

The Receiver continues to be in contact with Nations Best, a container company in which Maroney invested \$1 million of Harbor City monies. The Receiver is investigating whether assets exist to recover any proceeds for the benefit of the receivership estate.

**2. Litigation**

As previously reported, the mortgage holders on the Lansing Island property filed a foreclosure action, *Mira Holdings LLC, et al. v. Celtic Enterprises, LLC, et al.*, Case No. 05-2021-CA-052113, in Brevard County. As stated above, the case was stayed and thereafter dismissed as part of the mediated agreement with the mortgage holder. The plaintiffs were also pursuing an appeal of the order staying the case, which was also dismissed.

**3. Communications with Investors.**

The Receiver continues to field telephone calls and emails with investors regarding the current status of the Receivership. Also, investors continue to register through the Receiver's website, [www.harborcityreceivership.com/registration](http://www.harborcityreceivership.com/registration).

**4. The Next Ninety Days.**

The Order Appointing Receiver requires this Seventh Quarterly Status Report (and all subsequent reports) to contain "[t]he Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations." Doc. 72-111 ¶ 51.H. At this stage, the Receiver recommends continuation of the Receivership because she is (1) still investigating potential claims/actions as it relates to Nations Best; and (2) determine whether there will be enough in the way of proceeds to establish a claims process for the distribution of funds.

**CONCLUSION**

Investors and other creditors of the Receivership Entities are encouraged to periodically check the Receiver's website ([www.harborcityreceivership.com](http://www.harborcityreceivership.com)) for current information concerning this Receivership. If any investor has information that may be helpful in securing further assets for the Receivership Estate or identifying other

potential parties who may have liability to either the Receivership Estate or investors, please email [hcinfo@jclaw.com](mailto:hcinfo@jclaw.com).

Dated this 2nd day of August, 2023.

Respectfully submitted,

**s/Katherine C. Donlon**

Katherine C. Donlon, Receiver

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that on August 2, 2023, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

/s/ Nicole Deese Newlon

NICOLE DEESE NEWLON

Florida Bar No. 832391

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*Counsel for Receiver Katherine C. Donlon*

# **EXHIBIT 1**



Oldsmar / Tampa / St. Petersburg

727-785-4447

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## ***REPORT OF STANDARDIZED FUND ACCOUNTING REPORT***

Katherine C Donlon As Receiver for  
Harbor City Capital Corp, et. al.  
Tampa, FL

We have compiled the standardized fund accounting report for the period of April 1, 2023 to June 30, 2023 and from inception to June 30, 2023, included in the accompanying prescribed form (Civil Court Docket No. 6:21-cv-694-CEM-DCI). We have not audited or reviewed the accompanying standardized fund accounting report and accordingly, do not express an opinion or any assurance about whether the standardized fund accounting report is in accordance with the form prescribed by the Civil Court Docket No. (6:21-cv-694-CEM-DCI)

Consolidated Harbor City Capital Corp, et al Receivership is responsible for the preparation and fair presentation of the standardized fund account report in accordance with requirements prescribed by the Civil Court Docket No 6:21-cv-694-CEM-DCI and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the standardized fund accounting report.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist consolidated Harbor City Capital Corp, et al Receivership in presenting financial information in the form of a standardized fund accounting report without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the standardized fund accounting report.

This standardized fund accounting report is presented in accordance with the requirements of the Civil Court Docket No. 6:21-cv-694-CEM-DCI, which differ from accounting principles generally accepted in the United States of America. This report is intended solely for the information and use of the Civil Court Docket No 6:21-cv-694-CEM-DCI and is not intended and should not be used by anyone other than this specified party.

Oldsmar, Florida  
July 20, 2023

Standardized Fund Accounting Report for  
Katherine C Donlon as Receiver for Harbor City Capital Corp et al. - Cash Basis  
Receivership; Civil Court Case No: 6:21-cv-694-CEM-DCI  
Reporting Period 04/01/2023 to 06/30/2023

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2023):			886.16
<b>Increases in Fund Balance:</b>				
Line 2	Business Income			
Line 3	Cash and Securities			
Line 4	Interest Dividend Income			
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation	322,009.8		
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
<b>Total Funds Available (Line 1 - 8):</b>			322,009.8	328,392.14
<b>Decreases in Fund Balance:</b>				
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	3,099.33		
Line 10b	Business Asset Expenses	2		
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses	-		
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		3,308	3,308
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance Call Center			
	4. Fund Administrator Bond			
	Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>				
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
<b>Total Funds Disbursed (Lines 9 - 11)</b>				3,308
Line 13	Ending Balance (As of 06/30/2023)			2,460.06

Standardized Fund Accounting Report for  
Katherine C Donlon as Receiver for Harbor City Capital Corp et al. - Cash Basis  
Receivership; Civil Court Case No: 6:21-cv-694-CEM-DCI  
Reporting Period 04/01/2023 to 06/30/2023

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash    Cash Equivalents			2 4,6   .06
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			2 4,6   .06
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 1 a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 1 b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance Call Center			
	4. Fund Administrator    ond			
	. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 1 c	Tax Administrator Fees    onds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	of Claims Received This Reporting Period			
	of Claims Received Since Inception of Fund			
Line 19	No of Claimants/Investors:			
Line 19a	of Claimants Investors Paid This Reporting Period			
	of Claimants Investors Paid Since Inception of Fund			

Receiver:  
y:  
Title  
Date

Standardized Fund Accounting Report for  
Katherine C Donlon as Receiver for Harbor City Capital Corp et al. - Cash Basis  
Receivership; Civil Court Case No: 6:21-cv-694-CEM-DCI  
Reporting Period Since Inception to 06/30/2023

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (as of 1/1/2022)			-
<b>Increases in Fund Balance:</b>				
Line 2	Business Income	-		
Line 3	Cash and Securities	1,944,291.91		
Line 4	Interest Dividend Income			
Line 5	Business Asset Liquidation			
Line 6	Personal Asset Liquidation	322,000.98		
Line 7	Third-Party Litigation Income			
Line 8	Miscellaneous - Other			
<b>Total Funds Available (Line 1 - 8):</b>			481,948.89	481,948.89
<b>Decreases in Fund Balance:</b>				
Line 9	Disbursements to Investors			
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	13,111.18		
Line 10b	Business Asset Expenses	3,822.60		
Line 10c	Personal Asset Expenses			
Line 10d	Investment Expenses			
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees			
	2. Litigation Expenses			
	Total Third-Party Litigation Expenses	-		
Line 10f	Tax Administrator Fees and Bonds			
Line 10g	Federal and State Tax Payments			
	<b>Total Disbursements for Receivership Operations</b>		22,293.83	22,293.83
Line 11	Disbursements for Distribution Expenses Paid by the Fund			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator			
	Independent Distribution Consultant (IDC)			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses			
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance Call Center			
	4. Fund Administrator Bond			
	5. Miscellaneous			
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses			
	Total Plan Implementation Expenses			
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses Court Registry Investment System (CRIS) Fees			
Line 12b	Federal Tax Payments			
	<b>Total Disbursements to Court/Other:</b>			
	<b>Total Funds Disbursed (Lines 9 - 11)</b>			22,293.83
Line 13	Ending Balance (As of 06/30/2023)			2,460.06



Standardized Fund Accounting Report for  
Katherine C Donlon as Receiver for Harbor City Capital Corp et al. - Cash Basis  
Receivership; Civil Court Case No: 6:21-cv-694-CEM-DCI  
Reporting Period Since Inception to 06/30/2023

FUND ACCOUNTING (See Instructions):		Detail	Subtotal	Grand Total
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash    Cash Equivalents			2 4,6 .06
Line 14b	Investments			
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund - Net Assets			2 4,6 .06
OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Report of Items Not To Be Paid by the Fund				
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 1 a	Plan Development Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Miscellaneous			
	Total Plan Development Expenses Not Paid by the Fund		-	
Line 1 b	Plan Implementation Expenses Not Paid by the Fund			
	1. Fees:			
	Fund Administrator			
	IDC			
	Distribution Agent			
	Consultants			
	Legal Advisors			
	Tax Advisors			
	2. Administrative Expenses			
	3. Investor Identification:			
	Notice Publishing Approved Plan			
	Claimant Identification			
	Claims Processing			
	Web Site Maintenance Call Center			
	4. Fund Administrator   ond			
	. Miscellaneous			
	6. Federal Account for Investor Restitution			
	(FAIR) Reporting Expenses			
	Total Plan Implementation Expenses Not Paid by the Fund		-	
Line 1 c	Tax Administrator Fees     onds Not Paid by the Fund:			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	Investment Expenses CRIS Fees			
Line 16b	Federal Tax Payments			
	Total Disbursements to Court/Other Not Paid by the Fund		-	
Line 17	DC & State Tax Payments			
Line 18	No of Claims			
	of Claims Received This Reporting Period			
	of Claims Received Since Inception of Fund			
Line 19	No of Claimants/Investors:			
Line 19a	of Claimants Investors Paid This Reporting Period			
	of Claimants Investors Paid Since Inception of Fund			

Receiver:  
y:  
Title  
Date