

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

FEDERAL TRADE COMMISSION and
OFFICE OF THE ATTORNEY GENERAL,
STATE OF FLORIDA,

Plaintiffs,

Case no. 6:16-cv-982-Orl-41TBS

vs.

LIFE MANAGEMENT SERVICES
OF ORANGE COUNTY, LLC, et al.,

Defendants.

**RECEIVER'S SECOND INTERIM REPORT,
CONCERNING THE SALE OF THE TUFF LIFE II**

Mark J. Bernet (the "Receiver"), as Receiver for Life Management Services of Orange County, LLC, Loyal Financial & Credit Services, LLC, IVD Recovery, LLC, KWP Services, LLC, KWP Services of Florida, LLC, LPSOFFLA LLC, LPSOFFLORIDA L.L.C., PW&F Consultants of Florida, LLC, UAD Secure Services LLC, UAD Secure Service of FL LLC, URB Management, LLC, YCC Solutions LLC and YFP Solutions LLC (collectively the "Receivership Defendants"), files his second interim report, to advise the Court as to the result of the sale of the *Tuff Life II*. As outlined in more detail below, the Receiver obtained the net amount of **\$108,974.33** as the proceeds from the sale.

The Individual Defendant Kevin Guice ("K. Guice") purchased a 55' Ocean yacht in 2014 called the *Tuff Life II*, for \$180,000. K. Guice spent over \$100,000 to refurbish and upgrade the yacht. The funds utilized to purchase and refurbish the *Tuff Life II* originated with one or more of the Receivership Defendants. The Receiver asserted a claim to the *Tuff*

Life II under various legal and equitable theories, including constructive trust and fraudulent transfer. However, to avoid the risk and cost of litigation, the Receiver and K. Guice entered into a Settlement Agreement that called for the Receiver to sell the *Tuff Life II* at a public auction. The Court granted the Receiver's motion to approve the Settlement Agreement and directed him to hire an auctioneer to sell the yacht at a public auction (*see* doc nos. 100 & 108). The Receiver hired John Harris of Harris Auctions, LLC, on the terms directed by the Court, and scheduled the *Tuff Life II* for an auction to be held in Port Canaveral, Florida, on August 27, 2016.

Attached as Exhibit "A" is the Auctioneer's Report, which discusses his marketing efforts and includes sample copies of the various marketing materials that he prepared and distributed. The auction included not only the *Tuff Life II*, but also various items of personal property associated with the yacht, such as swim fins, diving masks, fishing tackle, a grappling hook, spear guns, etc.¹ The personal property was sold at a preliminary auction held on Friday, August 26, 2016, immediately prior to the time that auctioneer and the yacht's captain, John Samples, took interested potential yacht purchasers for sea trials on the yacht. The personal property auction resulted in net proceeds to the receivership estates of \$2,247.38.

The auction sale of the *Tuff Life II* was held on Saturday, August 27, 2016. The sale attracted 22 registered live bidders who were physically present at the auction, as well as 392 online registered bidders. The winning bid for the yacht was \$111,000.00, to which was added a 10 percent buyer's premium. The gross sales price therefore was \$122,100.00.

¹ The personal property, and the prices received for each at the August 26, 2016 auction, are itemized in the Auctioneer's Report.

After deducting the agreed marketing costs and sales commissions, the Receiver received a net payment of \$106,726.95 for the *Tuff Life II*. The Receiver has deposited the total amount of **\$108,974.33** into a receivership bank account.

The Receiver invites the questions and comments of the Court and the parties.

Dated: Tampa, Florida
October 5, 2016

/s/ Mark J. Bernet

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CERTIFICATE OF SERVICE

I CERTIFY that on October 5, 2016, a copy of the foregoing was served by electronic or U.S. mail to:

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/s/ Mark J. Bernet

Mark J. Bernet, Receiver