

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

Case No. 8:20-cv-325-MSS-NHA

BRIAN DAVISON, et al.,

Defendants.

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**DEFENDANT BRIAN DAVISON’S OBJECTIONS TO THE RECEIVER’S
PROPOSED REPORT AND RECOMMENDATIONS (DOC. 1401-1)**

Defendant Brian Davison objects to the Receiver’s Proposed Report and Recommendations (Doc. 1401-1) (the “Proposed R&R”) for the following reasons:

1. Through the “BACKGROUND” section of the Proposed R&R, the Receiver seeks to have the Court make findings of fact unsupported by evidence presented at the hearing:

- a. p.2, line 6 “rather than the ponzi scheme at issue”. There was no evidence presented at the hearing and the Court should not make a factual finding that a ponzi scheme existed. That argument at the hearing was unresponsive to the Court’s request that the hearing focus on a timeline to wind down the Receivership.
- b. The Proposed R&R should note that even after the Receiver and his professionals charged \$37,727,947.18 to the receivership estate (Doc.

1396-1, p. 5 of 7, Line 10), the Receiver distributed \$160,000,000 to approved claimants, which is 107% of the “net allowed amounts.”

- c. p.2, lines 6-7, there is no evidentiary support for the statement “[t]aking into account such a market adjustment, the value of those claims would exceed \$210,000,000.” Even if the Receiver made that assertion at the hearing, it was not under oath; and the Receiver would not qualify as an expert to give that opinion testimony even if he had been sworn.
- d. p.2, lines 9-10. For the reasons above, the language at the end of the paragraph “but only 76% of the market adjusted amount” should be stricken.

2. The Proposed R&R should include the following findings:

- a. The hearing took place on the sixth anniversary of the filing of the case and the appointment of the Receiver.
- e. Over the course of the Receivership, the Receiver and his professionals charged \$37,727,947.18 to operate the receivership estate (Doc. 1396-1, p. 5 of 7, Line 10), and the Receiver distributed \$160,000,000 to approved claimants, which is 107% of the “net allowed amounts.”
- b. Those sums include \$1,500,000 to the Receiver, or a fee of \$250,000 per year for six (6) years.
- c. The Receiver’s 24th Quarterly Status Report reveals that the Receivership still holds \$8.4 million in cash. (Doc. 1396).

- d. The Receiver's 24th Quarterly Status Report also reveals that the Receivership still owns the Bolero Snort Brewery and the Commerce Brewery; neither of which has ever been valued in any of the Receiver's 24 Quarterly Status Reports; and the land on which both breweries operate.
- e. Despite having had the brewery interests for six (6) years, the Receiver asserted at the hearing that the accounting function for Bolero Snort had recently changed so he had good numbers. There was no explanation why the Receiver permitted the Bolero Snort interest to be operated on Receivership property for six (6) years without adequate financial reporting.
- f. Similarly, the Receiver indicated that Commerce Brewery was redoing its accounting systems. There was no explanation why the Receiver permitted the Commerce Brewery interest to be operated on Receivership property for six (6) years without adequate financial reporting.
- g. The Court notes that despite the Receiver never providing any valuation of the Commerce Brewery interest, Commerce Brewery actually acquired the assets of another brewery out of bankruptcy.
- h. The Receiver's 24th Quarterly Status Report also reveals that the Receivership still owns two (2) apartment buildings in Treasure Island which he is attempting to convert to condominiums.

- i. At the hearing the Receiver stated he intends to invest another \$2.5 million dollars of Receivership funds for that conversion and admitted that the project had been adversely affected by the 2024 hurricanes.
- j. The Receiver claims he can finish those conversion projects in another 18 months, but cannot quantify the risk of additional hurricane damage, or provide any estimate how much that might increase the cost of the conversion or reduce the value of the project.
- k. The only support the Receiver offered for the claimed additional value to the Receivership estate of the completion of those conversions was his reliance on Tony Kelly, who was trained in real estate by Brian Davison; about whom the Receiver has nothing good to say.
- f. The remaining asset is an Oldsmar Property on which the Receiver is in the process of negotiating a buyout of the Estate's interest that would result in a 12 month note the Receiver described as a "good credit."
- g. The 300+ residential properties sold by the Receivership over the past six (6) years could have been sold at any time as the data from the Tampa Bay Economic Development Council indicated that the lowest number of single-family homes sold in Hillsborough County in any month during the period 2021-2023 was 1,341.
- h. The Receiver presented no evidence those homes could not have been placed with a large real estate brokerage early in the Receivership with

negotiated fees equal to or less than the fee structure the Receiver created and the auction services used.

- i. The Receiver's 24th Quarterly Status Report asserts that the "Business Asset Expenses" charged to the Receivership as of 12/31/25 were \$18,352,501.04. (Doc. 1396-1, p. 5).
 - j. The Court finds it likely that had those homes been sold early in the Receivership, a substantial amount of the money spent continuing to operate the EquiAlt business could have been avoided.
 - k. The Court lacks sufficient data to precisely quantify the savings, but a pro rata allocation of those expenses over six (6) years suggests that had the 300+ residential properties been sold through a real estate brokerage firm in the first year of the Receivership; five-sixths of that \$18+ million dollar expense could have been avoided.
- 3. The Proposed R&R should include the following recommended timeline for winding down the Receivership:**
- a. This Receivership has been in place for six (6) years and should be concluded not later than December 31, 2026.
 - b. The Receiver's assertion that a longer period would result in a greater recovery to the Receivership is based largely on pure speculation and does not take into account:
 - i. the risk of future economic conditions;

- ii. any data or expert opinions on the present value of the breweries or quantify any prospective increase in value as a result of continued operation of the breweries;
 - iii. the regulatory, construction and storm risks related to the condominium conversions on Treasure Island;
 - iv. the ability to sell the promissory note related to the Oldsmar property the Receiver described as a “good credit”; or
 - v. any data on the costs to be incurred by the continued operations of the Receivership.
- c. The Receiver is ordered to obtain real estate appraisals of all remaining Receivership properties in their “as is” condition within 60 days.
- d. The Receiver is ordered to obtain business valuations of the Receivership’s Bolero Snort and Commerce Brewing interests in their “as is” condition within 60 days.
- e. At the Receiver’s discretion, he may request that the above real estate and business valuations include the appraisers’ and valuers’ estimates of the value of those interests as of a future date not later than December 31, 2026.
- f. Beginning six (6) months from the date of the Court’s Order, the total of **all** expenses charged to the Receivership shall not exceed the lesser of the hourly rates charged by the Receiver and his professionals and anyone providing other services related to the Receivership or its assets **OR** one

(1%) percent of the value of the assets recovered by the Receivership after that date.

- g. That limitation on further charges to the Receivership aligns the Receiver's interests with the Court's direction to wind down this estate.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been filed via the Court's CM/ECF system on this 27th day of February 2026.

/s/ Stanley T. Padgett

Stanley T. Padgett, Esquire

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