

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.

REPORT AND RECOMMENDATIONS

The District Court has referred to me for a report and recommendation a proposal for bringing this action to a close. Doc. 1392. I held a status conference on February 11, 2026. Doc. 1398. Following the status conference, I recommend that the Receivership be directed to conclude its activities and file a motion to liquidate any remaining assets, complete the final distribution to claimants, and submit the Receiver's final report, final accounting, and motion to close the Receivership on or before December 31, 2026.

Background

The SEC brought this action against individual Defendants Brian Davison ("Davison") and Barry Rybicki ("Rybicki") and corporate Defendants EquiAlt LLC; EquiAlt Fund, LLC; EquiAlt Fund II, LLC; EquiAlt Fund III,

LLC; and EA SIP LLC, for violations of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77e(a) and 77e(c); Section 17(a)(2) of the Securities Act, 15 U.S.C. § 77q(a); Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b); and Exchange Act Rule 10b-5, 17 C.F.R. § 240.10b-5, regarding the alleged operation of a nationwide Ponzi scheme raising more than \$170 million from 1,100 investors through fraudulent, unregistered securities offerings. *See* Compl. (Doc. 1).

On February 14, 2020 the District Court appointed Burton W. Wiand as the Receiver in this action. Doc. 11. Over the last 6 years, the Receiver has marshaled and liquidated assets, brought lawsuits for the benefit of the aggrieved investors, and operated existing businesses. Through these efforts, the Receiver has netted over \$168 million for the claimants in this receivership.

To date, the Receiver has distributed \$160 million to the approved claimants in this case, or 107% of the net allowed amount¹ of their claims. As the Court recognized at the February 11, 2026 status conference, the Receiver has been successful in performing his duties.

¹ “Net allowed amounts” are based on money invested less any monies received back by the investors. This value does not account for the lost time value of money or the market adjusted values had the investors’ monies been invested in the market rather than the ponzi scheme at issue. The Receiver posits that, taking into account such a market adjustment, the distributions are only 76% of the market adjusted amount.

The Receiver asks the Court to extend the Receivership for eighteen months (Doc. 1399-1). The Receiver believes the additional eighteen months will allow him to complete four projects that will recover more money for the victims. Doc. 1399-1. Those projects are (1) the conversion of two apartment buildings to condominiums in Treasure Island, (2) the continued development of Commerce Brewery (Largo, FL) in which the Receivership holds a 20% interest and for which the Receiver owns the real estate housing its operations; (3) the monitoring of the Receivership's 5% stake in Bolero Snort Brewery (Carlstadt, NJ) and the attendant real property; and (4) the buyout of the Receivership's investment of real estate in Oldsmar by the joint venture partner. *Id.*

Specifically, the Receiver believes (although he did not provide any formal valuation) that the current value of the two apartment buildings in Treasure Island, Florida is presently approximately \$3.25 million. Doc. 1399-1 p. 12. The Receiver proposes investing \$2.5 million into construction (including the addition of boat docks) and posits that the converted condominiums could be sold for \$9.5 million, netting an additional \$3.75 million for the investors. *Id.* The Receiver estimates the project will take 18 months, although he notes that the timeline could expand due to hurricanes, permit acquisition, or regulatory issues. *Id.*

As to Commerce Brewery in Largo, Florida, the Receiver indicated that although the brewery is only recently cash-positive, the Receiver is taking steps to grow the business. Doc. 1399-1 p. 14. Thus, the Receiver believes that he will be able to get additional value from the business once the owners bring in additional investors. *Id.* p. 23.

The Receivership also owns the property and the building where Bolero Snort operates in Carlstadt, New Jersey, as well as a 5% interest in the brewery. Doc. 1399-1 p. 16. Using his leverage as landlord, the Receivership caused recent management changes at the brewery. *Id.* The Receivership is hopeful that the changes could have a positive impact on operations (and, therefore, increase the value of his interest), but admits that the future of this brewery is much less optimistic than that of Commerce Brewery. *Id.*

Finally, the Receivership is invested in a joint-venture in Oldsmar real estate, on which the Receiver initially planned to develop townhomes. Doc. 1399-1 p. 17. The Receiver has changed course and is now negotiating a buyout of the Receivership's investment with the joint-venture partner. *Id.* He anticipates the payment for his interest will be provided within twelve months. Doc. 1401-1 p. 4.

In addition to these four main projects, the Receiver anticipates continuing to litigate issues related to Defendant Davison's failure to turn over

platinum coins.² Doc. 1401-1 p. 6. And, he anticipates it will take another three months after the sale of the breweries, Treasure Island condominiums, and Oldsmar property to complete the final distribution to claimants and submit the Receiver's Final Report, Final Accounting, and Motion to Close the Receivership. Doc. 1401-1 p. 9.

Each of these activities will be billed by the Receiver and the professionals that he has retained. Over the last six years, the Receiver and the professionals he has hired have charged more than \$6.9 million for their work (Doc. 1399-1 p. 22) and have been awarded significantly more than that in contingency fees (*see* Doc. 1396-1 p. 5).

The SEC does not oppose the Receiver's request for an additional eighteen months to wind up the Receivership. Doc. 1398.

Analysis

The Receiver was appointed to administer and manage the business affairs, funds, assets, causes in action, and any other property of the Defendants; marshal and safeguard all of the assets of the Defendants; and take whatever actions necessary for the protection of investors. Doc. 11 pp. 1–2. The Receiver has fulfilled these duties by recovering the full amount of the

² The Receiver argues that Defendant Davison continues to withhold platinum coins that belong to the Receivership. *See* Doc. 1396 p. 7. A motion to collect the value of those coins is pending before the Court. Doc. 1302.

victim investors' claims over the last six years (and more). Although the investors have received more than the full amount they originally invested, and although the Receiver also acknowledges that he has been far more successful in reimbursing investors than is typical in such cases, the Receiver seeks to continue recouping money, explaining that the victims have not recovered the profits they anticipated from their investments. Doc. 1326 p. 3; Doc. 1401-1 p. 2.

But, to the extent the Receiver seeks twenty-one additional months, eighteen of which to spend on four projects (the Treasure Island Condominiums, Commerce City Brewery, Bolero Snort Brewery, and the Oldsmar property), and three more to make a final distribution, I recommend the Court deny the request.

First, as discussed above, the Receiver has already distributed the full amount of the victim investors' claims (meaning the amounts they invested in the scheme). Doc. 1326 p. 3. Second, the potential additional earnings (which would comprise a small percentage of the total recovery) appear somewhat speculative.³ The Receiver presented no current formal valuations of the

³ Even if the hoped-for values were realized, the additional amount would comprise approximately just 4-to-5 percent of the recovery. *See* Doc. 1399-1 p. 23. The Court notes the victim investors were at liberty to invest (and grow) their earlier-received funds and are thus not solely reliant on the Receiver to generate investment earnings.

Oldsmar or Treasure Islands properties, nor of the proffered future increases in value, nor of the breweries' likely gains, instead estimating hoped-for values based on opinion. Doc. 1398-1 at 22:05–22:30, 22:40–25:00, 30:00–31:00, 33:56–35:40; 39:45–40:26; 42:15–44:45; Doc. 1399-1 p. 12. Finally, there are significant risks associated with the projects. The Receiver readily acknowledges that additional work on some projects, like the Bolero Snort Brewery, may not result in a greater recovery. Doc. 1339-1 p. 16. And, factors outside of the Receiver's control, such as permitting and weather events could delay or devalue the projects. Doc. 1339-1 p. 12. In fact, the Treasure Island Condominiums lost value in 2024 as a result of hurricanes. Doc. 1339-1 p. 12.

Given the temporal and financial uncertainties, I find that the speculative potential of an additional 4-5% recovery for investor-victims does not outweigh the risk, support the additional year and a half of Receivership, or justify the continued use of Court resources, *see* Fed. R. Civ. P. 1.

The Receiver estimates that immediate liquidation will take at least six months. Doc. 1339-1 p. 23. In light of this estimate, I recommend that the Receivership be directed to conclude its activities and file a motion to liquidate any remaining assets, complete the final distribution to claimants and submit the Receiver's Final Report, Final Accounting, and Motion to Close the Receivership on or before December 31, 2026.

Conclusion

For these reasons, I respectfully **RECOMMEND** that the Receivership be directed to conclude its activities and file a motion to liquidate any remaining assets, complete the final distribution to claimants and submit the Receiver's final report, final accounting, and motion to close the Receivership on or before December 31, 2026.

RESPECTFULLY SUBMITTED on April 20, 2026.


NATALIE HIRT ADAMS
UNITED STATES MAGISTRATE JUDGE

NOTICE TO PARTIES

A party has fourteen days from this date to file written objections to the Report and Recommendation's factual findings and legal conclusions. A party's failure to file written objections waives that party's right to challenge on appeal any unobjected-to factual finding or legal conclusion the district judge adopts from the Report and Recommendation. *See* 11th Cir. R. 3-1. To expedite resolution, parties may file a joint notice waiving the 14-day objection period.