

**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 REPLY TO THE RECEIVER’S  
OBJECTION TO THE MAGISTRATE’S REPORT AND  
RECOMMENDATION ISSUED APRIL 20, 2026**

Defendant Brian Davison files this reply to the Receiver’s Objection to the Magistrate’s Report and Recommendations issued April 20, 2026 (Doc. 1406) (the “R&R”). The R&R should be adopted, confirmed, and approved in all respects. The Receiver’s Objection (Doc. 1408) does not cite any record evidence to overturn the R&R<sup>1</sup> and instead is nothing more than an assertion that despite this Court’s oversight authority; the Receiver knows best.

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<sup>1</sup> Davison adopts his Objections to the Receiver’s Proposed Report and Recommendations (Doc. 1402). The Receiver failed to provide any evidence or argument to overcome Davison’s Objections either in his Reply to Davison’s Objections to the Proposed Report and Recommendations (Doc. 1403) or the Receiver’s Objection (Doc. 1408).

## I. Legal Standard<sup>2</sup>

After conducting a careful and complete review of the findings and recommendations, a district judge may accept, reject, or modify the Magistrate Judge's report and recommendation. 28 U.S.C. § 636(b)(1); Williams v. Wainwright, 681 F.2d 732, 732 (11th Cir. 1982), cert. denied, 459 U.S. 1112 (1983). A district judge "shall make a *de novo* determination of those portions of the report or specified proposed findings or recommendations to which objection is made." 28 U.S.C. § 636(b)(1)(C). This requires that the district judge "give fresh consideration to those issues to which specific objection has been made by a party." Jeffrey S. v. State Bd. of Educ., 896 F.2d 507, 512 (11th Cir.1990) (quoting H.R. 1609, 94th Cong. § 2 (1976)). In the absence of specific objections, there is no requirement that a district judge review factual findings *de novo*, Garvey v. Vaughn, 993 F.2d 776, 779 n.9 (11th Cir. 1993), and the court may accept, reject, or modify, in whole or in part, the findings and recommendations. 28 U.S.C. § 636(b)(1)(C). The district judge reviews legal conclusions *de novo*, even in the absence of an objection. See Cooper-Houston v. Southern Ry., 37 F.3d 603, 604 (11th Cir. 1994).

## II. The R&R Should be Adopted in its Entirety

The Honorable Natalie H. Adams conducted a hearing on the status of the Receivership on February 11, 2026, and heard argument from the Receiver, the SEC

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<sup>2</sup> The entire legal standard is copied verbatim from this Court's Order on the Receiver's Unopposed Twenty-Fourth Quarterly Fee Application for Order Awarding Fees and Reimbursement of Costs to Receiver and His Professionals. (Doc. 1410, at p.2).

and from counsel for Davison on the status of the Receivership and the appropriate time frame and conditions to wind up the Receivership. After receiving the Receiver's Proposed Report and Recommendations (Doc. 1401), Davison's Objections to the Receiver's Proposed Report and Recommendations (Doc. 1402), and the Receiver's Reply to Davison's Objections (Doc. 1404); Magistrate Adams' R&R (Doc. 1406) rejected the Receiver's open-ended approach to concluding the Receivership.

Davison's Objection pointed out the lack of factual support in the record for the Receiver's position and offered concrete proposals for items that should be in the wind-down Order to more closely align the Receiver's interests with those of the claimants. The Receiver failed to address any of the factual inadequacies in the record by providing admissible evidence: (1) of the value of the remaining estate assets; (2) of any future projected gains if the estate is kept open longer; or (3) evidence he had ordered any of the appraisals or business valuations necessary to address the deficiencies identified in Davison's Objection.

Instead, the Receiver doubled down on his position that he knows best, without agreeing to any reduction in or limitation of, his fees and those of his professionals to more closely align his interests with those of the claimants.

### **III. Conclusion**

For the reasons set forth, the R&R should be adopted, confirmed, and approved without change.

**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 12th day of May 2026.

**/s/ Stanley T. Padgett**

Stanley T. Padgett, Esquire

Florida Bar No. 348686

PADGETT LAW, P.A.

100 S. Ashley Dr., Suite 600

Tampa, FL 33602

(813) 230-9098

(866) 896-7664 (Fax)

Email: [spadgett@padgettlawpa.com](mailto:spadgett@padgettlawpa.com)

[padgett813@gmail.com](mailto:padgett813@gmail.com)

[tabitha@padgettlawpa.com](mailto:tabitha@padgettlawpa.com)

[cassandra@padgettlawpa.com](mailto:cassandra@padgettlawpa.com)

Co-Counsel for Defendant,

Brian Davison