UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
-v-	:	No. 16-CV-6848 (BMC)
	:	
PLATINUM MANAGEMENT (NY) LLC;	:	
PLATINUM CREDIT MANAGEMENT, L.P.;	:	**ORAL ARGUMENT**
MARK NORDLICHT;	:	**REQUESTED**
DAVID LEVY;	:	
DANIEL SMALL;	:	
URI LANDESMAN;	:	
JOSEPH MANN;	:	
JOSEPH SANFILIPPO; and	:	
JEFFREY SHULSE,	:	
	:	
Defendants.	:	

NOTICE OF RECEIVER'S MOTION
FOR ENTRY OF AN ORDER APPROVING PLAN OF DISTRIBUTION

PLEASE TAKE NOTICE that, upon the accompanying Declaration of Melanie L. Cyganowski, executed October 30, 2026 (the "***Cyganowski Decl.***"), the Declaration of Trey Rogers (the "***Rogers Decl.***"), the accompanying Memorandum of Law, and all prior proceedings had herein, Melanie L. Cyganowski, the duly appointed receiver (the "***Receiver***") for the Receivership Entities,[1] will move this Court on December 15, 2026 at 9:30 a.m. (Prevailing Eastern Time) before the Honorable Brian M. Cogan, United States District Judge for the United States District Court for the Eastern District of New York, located at the United States District

[1] The Receivership Entities are: Platinum Credit Management, L.P., Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund (BL) LLC, Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., Platinum Partners Liquid Opportunity Master Fund L.P., Platinum Partners Credit Opportunities Fund International Ltd., and Platinum Partners Credit Opportunities Fund International (A) Ltd.

Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, New York 11201, for an order approving the Receiver's proposed plan of distribution ("***Plan***"), attached as Exhibit A to the Cyganowski Decl., and for such other and further relief as the Court deems appropriate (the "***Motion***").

PLEASE TAKE FURTHER NOTICE that any opposition or other responses ("***Responses***") to the Motion must be made in writing and (i) if by a party, electronically filed with the District Court or (ii) if by a non-party, electronically mailed to the Receiver at her e-mail address, platinumreceiver@otterbourg.com, in each case so as to be actually received no later than November 20, 2026 ("***Response Deadline***").

PLEASE TAKE FURTHER NOTICE that, by December 4, 2026, the Receiver will organize and file with the Court all opposition or other responses received by the Response Deadline from investors and claimants via electronic mail ("***Investor and Claimant Responses***"). The Investor and Claimant Responses will be filed as a single docket entry with a schedule identifying each such Investor and Claimant Response.

PLEASE TAKE FURTHER NOTICE that, by December 11, 2026, the Receiver will file any reply to Responses.

PLEASE TAKE FURTHER NOTICE that, in the absence of any timely filed or served written opposition, the Court may grant the relief requested in the Motion, without further hearing or notice.

PLEASE TAKE FURTHER NOTICE that copies of the Plan and Motion are available without charge on the Receiver's website, https://www.platinumreceivership.com/, and can be made available in hard copy upon request to the Receiver via electronic mail to her e-mail address, platinumreceiver@otterbourg.com.

Dated: New York, New York
October 30, 2026

OTTERBOURG P.C.

By: */s/ Erik B. Weinick*

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Attorneys for Melanie L. Cyganowski, as Receiver

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, -v- PLATINUM MANAGEMENT (NY) LLC; PLATINUM CREDIT MANAGEMENT, L.P.; MARK NORDLICHT; DAVID LEVY; DANIEL SMALL; URI LANDESMAN; JOSEPH MANN; JOSEPH SANFILIPPO; and JEFFREY SHULSE, Defendants.	:	No. 16-CV-6848 (BMC)

DECLARATION OF MELANIE L. CYGANOWSKI IN SUPPORT OF MOTION FOR AN ORDER APPROVING PLAN OF DISTRIBUTION

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I, Melanie L. Cyganowski, hereby submit this Declaration based upon my personal knowledge, except to the extent I relied on the Declaration of Trey Rogers, as cited. I believe that the following is true to the best of my knowledge, information and belief:

1. I am the duly appointed receiver (the "***Receiver***") for the Court-ordered receivership (the "***Receivership***") of Platinum Partners Credit Opportunities Master Fund L.P. ("***PPCO Master Fund***"), Platinum Partners Credit Opportunities Fund (BL) LLC, Platinum Partners Credit Opportunities Fund International Ltd. ("***PPCO Int'l Feeder***"), Platinum Partners Credit Opportunities Fund International (A) Ltd. ("***PPCO Int'l (A) Feeder***"), Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Credit Management, L.P. ("***PPCO Portfolio Manager***"), Platinum Partners Liquid Opportunity Master Fund L.P. ("***PPLO Master Fund***"), Platinum Partners Liquid Opportunity Fund (USA) LP and Platinum Liquid Opportunity Management (NY) LLC (collectively, the "***Receivership Entities***" or "***Platinum***").

2. I submit this declaration in support of my *Motion for an Order Approving Plan of Distribution* (the "***Motion***") filed contemporaneously herewith. A copy of my recommended plan of distribution (the "***Plan***") is attached hereto as **Exhibit A**.[1]

I. PRELIMINARY STATEMENT

3. Before the Court is my proposed Plan that I believe, in my business judgment, treats Claimants and Investors in an equitable, fair and reasonable manner. At this stage of the Receivership, as discussed below, all Claims and Interests, other than certain Professional Fee Claims and Professional Fee Claim Holdbacks, are fixed, and all marketable Receivership Assets

[1] Capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the accompanying Plan.

have been liquidated. The Plan therefore contemplates a straightforward, orderly process for a single distribution to eligible Claimants and Investors (with the potential for a subsequent distribution, if deemed appropriate), followed by a wind-down of the Receivership Entities and abandonment of all valueless assets.

4. In sum, the Plan entails two asset pools—each a "silo"—for distributions to holders of Approved Claims and Interests, depending on whether such Claims or Interests arise from the PPCO Receivership Entities ("***PPCO Silo***") or the PPLO Receivership Entities ("***PPLO Silo***"). This dual silo approach for the Receivership Assets is appropriate under the circumstances, and recognizes the manner in which the PPCO Receivership Entities and the PPLO Receivership Entities actually operated prior to the Receivership. It also provides greater flexibility in winding down operations following the distribution.

5. Within each silo, the Plan establishes a pro rata, pari passu distribution to both Claimants and Investors. The exact method employed for this distribution was derived after an extensive analysis of various approaches employed in other receiverships, and in view of the unique facts of this Case. Specifically, after being divided pro rata among Claimants and Investors, Cash will be distributed to Claimants in accordance with their pro rata share, while Investors will receive Cash from their assigned share based on the "***Rising Tide Method***." The Rising Tide Method determines whether and in what amount an Investor recovers by application of a formula—the "***Rising Tide Formula***"—that attempts to equalize all Investors' recoveries.[2] I believe this methodology is equitable because it takes into consideration redemptions received by

[2] "Rising Tide Formula" is defined under the Plan to mean the following formula: (i) an Investor's Verified Contribution Amount multiplied by the applicable Rising Tide Percentage minus (ii) an Investor's Verified Withdrawal Amount. Plan § 1.2.95. The Rising Tide Percentage will be set and announced by the Receiver when she announces the Effective Date per the Plan. Plan § 3.2.

investors pre-Receivership and increases the distribution to Investors that did not receive any distributions on account of their investments pre-Receivership. For the avoidance of doubt, only Claimants with Approved Unsecured Claims and Investors who are eligible under the Rising Tide Formula—in essence, an Investor is eligible if their pre-Receivership redemptions are under the applicable Rising Tide Percentage—will receive a distribution under the Plan.

6. For these reasons, and those more fully set forth herein and in the accompanying memorandum of law in support of the Motion and the Rogers Declaration (defined below), I respectfully request that the Court grant the Motion.

II. GENERAL BACKGROUND

A. The Receivership Entities

7. A more fulsome explanation of the Receivership Entities, their related non-Receivership Entity funds, and their pre-Receivership operations is set forth in the Declaration of Trey Rogers submitted simultaneously herewith (the "***Rogers Declaration***"). Rogers Decl. ¶¶ 7-17.

8. In short, prior to the Receivership, the PPCO Master Fund, PPLO Master Fund, and non-Receivership Entity Platinum Partners Value Arbitrage Fund, L.P. ("***PPVA***"), as well as each of their respective related entities ("***PPLO Funds***," "***PPCO Funds***," and "***PPVA Funds***," and collectively, the "***Platinum Funds***") utilized a corporate structure common among hedge funds in organizing their operations: a master-feeder structure.

9. Through this structure, investors invested their money into one of the feeder funds, selecting between either the PPCO Funds or the PPLO Funds. The feeder funds would then invest, either directly or indirectly, into the PPCO Funds' or PPLO Funds' respective master funds. Once funds were invested in the applicable master fund, a portfolio manager controlled how the

investments were ultimately managed. Investments were received by the respective master funds and, in turn, used by the master funds, without distinguishing the source. Rogers Decl. ¶¶ 7-9.

10. Prior to commencement of this Case by the SEC, the SEC initiated an investigation of the Platinum Funds, which resulted in the Platinum Funds consenting, in July 2016, to engage Bart M. Schwartz and his firm Guidepost Solutions LLC in the capacity of an independent monitor (the "***Monitor***") to oversee the funds. The Monitor's role, as described in a letter the Monitor issued to investors, was "to assist the Managers with the development and implementation of a plan for the orderly liquidation of the Funds under management." SEC Complaint ¶ 178.

B. Commencement of this Case and Related Criminal Actions[3]

11. On December 19, 2016 (the "***Receivership Date***"), the SEC filed a civil complaint (the "***SEC Complaint***") against Mark Nordlicht ("***Nordlicht***"), David Levy ("***Levy***"), Daniel Small ("***Small***"), Uri Landesman ("***Landesman***"),[4] Joseph Mann, Joseph SanFilippo ("***SanFilippo***"), and Jeffrey Shulse (collectively, the "***Individual Defendants***"), all of whom managed certain of the Platinum Funds, and both Platinum Management (NY) LLC and PPCO Portfolio Manager (collectively, with the Individual Defendants, the "***Defendants***"), thereby commencing this civil proceeding (the "***Case***"). SEC Complaint, Dkt. No. 1.[5] The SEC Complaint alleged the Defendants violated, and aided and abetted violations of, the Investment Advisers Act of 1940, the

[3] PPVA is not a party to this Case or the Receivership. On or about August 23, 2016, liquidation proceedings in the Grand Court of the Cayman Islands ("***Grand Court***") were commenced for PPVA and the PPVA Offshore Feeder Fund. Cause Nos. FSD 131 of 2016 (AJJ) and 118 of 2016 (AJJ). On October 18, 2016, the liquidators of PPVA and PPVA Offshore Feeder Fund commenced a proceeding under Chapter 15 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. *See* Case No. 16-12925 (Bankr. S.D.N.Y.). That case remains pending. On or about February 14, 2017, following the commencement of this Case, PPVA Intermediate Feeder Fund was placed into liquidation before the Grand Court. Cause No. FSD 30 of 2017 (AJJ). On October 17, 2017, its liquidators commenced a proceeding under Chapter 15 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York. *See* Case No. 17-12269 (Bankr. S.D.N.Y.). That case also remains pending.

[4] Uri Landesman passed away in September 2018.

[5] References to "Dkt. No. __" are to docket entries in this Case, unless otherwise stated.

Securities Act of 1933, and the Securities Exchange Act of 1934. SEC Complaint ¶¶ 187-221.

12. The SEC Complaint alleged, in relevant part, that the Defendants conducted a fraudulent scheme to inflate asset values and illicitly moved investor money among the funds to cover losses and disguise liquidity problems. SEC Complaint ¶¶ 64, 72-74, 144-147. The SEC alleged that the managers of the Receivership Entities (i) overvalued assets, (ii) diverted almost $100 million out of Black Elk Energy Offshore Operations, LLC ("***Black Elk***") to benefit preferred shares held mostly by PPVA and its affiliates, (iii) concealed a growing liquidity crisis by transferring money between the funds, (iv) made redemptions to favored investors and (v) used misrepresentations to attract new investors to the struggling funds. SEC Complaint ¶¶ 3-9.

13. On the same date that this Case was commenced, December 19, 2016, the United States Department of Justice filed criminal charges against the Individual Defendants. Following the criminal trial of Nordlicht, Levy, and SanFilippo, the jury returned a verdict convicting Nordlicht and Levy of defrauding bondholders in portfolio company Black Elk Offshore Operations LLC, while SanFilippo was acquitted on all counts. The Court overturned the jury verdict with respect to Levy and ordered a new trial with respect to Nordlicht. The Second Circuit vacated the Court's order and remanded to the Court for further proceedings. After a separate trial, Small was convicted by a jury on charges of securities fraud and securities fraud conspiracy for his role in connection with Black Elk.

C. Appointment of Receiver and Receivership Order

14. On December 19, 2016, this Court entered an Order appointing Bart M. Schwartz, who was then serving as Monitor, as receiver (the "***Prior Receiver***") in this Case. *See* Dkt. No. 6. On July 6, 2017, after the Prior Receiver had already begun to liquidate certain assets and had entered into agreements regarding the disposition of other assets, the Prior Receiver resigned. Dkt. No. 216. Upon the recommendation of the SEC, by Order dated July 6, 2017, I was appointed as

Receiver, effective July 6, 2017, and ordered to assume all authority previously held by the Prior Receiver under the then current receivership order. Dkt. No. 216.

15. On October 16, 2017, the Court entered the *Second Amended Order Appointing Receiver* (the "***Receivership Order***"). Dkt. No. 276. The Court amended the Receivership Order on December 29, 2017 to add the following entities to the receivership: PPLO Master Fund, PPCO Int'l Feeder and PPCO Int'l (A) Feeder. Dkt. No. 297. The Receivership Order vests the Court with exclusive jurisdiction over each of the Receivership Entities and their respective property. *See* Receivership Order ¶ 1.

16. Pursuant to the Receivership Order, I have all powers, authorities, rights and privileges possessed by the officers, directors, managers, managing members, and general and limited partners of the Receivership Entities under applicable state and federal law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all of the powers conferred upon a receiver by the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Rule 66 of the Federal Rules of Civil Procedure. *See* Receivership Order ¶ 3.

17. I was also required to use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Entities, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly (collectively, the "***Receivership Assets***"). *See* Receivership Order ¶ 6.

18. In addition, I was "authorized, empowered and directed to develop a plan … for the fair, reasonable, and efficient recovery and disposition of all remaining, recovered, and recoverable Receivership … [Assets] which may be a plan of liquidation" and directed to determine the extent of liabilities believed to be the legal obligations of the Receivership Entities. Receivership Order ¶¶ 45, 47.

19. To assist me with my duties, I obtained the Court's approval to retain certain professionals and advisors on or after the Receivership Date, including Otterbourg P.C. ("***Otterbourg***") as legal counsel, Dkt. No. 231, and Teneo Company (*f/k/a* Goldin Associates LLC)[6] ("***Teneo***") as financial advisor, Dkt. No. 232. In addition, I retained Houlihan Lokey Capital, Inc. ("***Houlihan Lokey***"),[7] effective as of September 11, 2017,[8] to market and sell specific assets of the Receivership Entities, and retained Riveron Consulting LLC (*f/k/a* Conway MacKenzie, Inc.) ("***Riveron***"), effective as of October 12, 2017,[9] to provide guidance and marketing expertise to help expeditiously monetize certain other Receivership Assets that Houlihan Lokey was not retained to monetize.

20. With the Court's approval, Dkt. No. 296, I have also retained other professionals at various points for specific purposes, including, for example, to provide legal advice regarding environmental liabilities arising from a particular asset.

21. I have also continued to employ certain former employees of the Receivership Entities as consultants, including Trey Rogers, former Director of Financial Reporting and Chief

[6] On August 24, 2020 Goldin Associates, LLC was acquired by Teneo Capital, LLC. Dkt. No. 540.

[7] I also retained Houlihan Lokey Financial Advisors, Inc., pursuant to Court Order, Dkt. No. 245, to continue with its valuation of Platinum's assets, which valuation process was begun under the Prior Receiver.

[8] Houlihan Lokey's retention was approved by the Court on November 11, 2017, and the Court issued a Memorandum Opinion regarding Houlihan Lokey's retention on November 21, 2017. Dkt. No. 285.

[9] Conway MacKenzie Inc.'s retention was approved by the Court on November 11, 2017. Dkt. No. 280. Conway MacKenzie was acquired by Riveron in 2019.

Financial Officer of the Receivership Entities. In his capacity as a consultant, Mr. Rogers has assisted with the tracking of expenses paid by the Receivership Entities, maintaining the Receivership Entities' financial books and records, and overseeing the preparation of the Receivership Entities' financial reports and statements, including tax returns. I have also continued the employment of Paul Poteat in a consulting role, who provides IT services as necessary.

D. Immediate Steps to Control the Receivership Estate

22. Following my appointment, I took immediate steps to protect Receivership Assets, first by asserting control over the Receivership Entities' books, records and accounts, to oversee their accounting, cash management and budgeting processes. In addition, I developed and implemented procedures regarding the review of, and written approval for, all disbursements and/or dispositions.

23. I notified the Receivership Entities' banks and brokerage firms of my appointment as Receiver, transferred signatory authority for the bank accounts to myself and my designated alternate (a senior partner at Otterbourg), and subsequently closed several banking accounts to streamline the Receivership Entities' banking system.

24. I promptly obtained access to the accounting systems of the Receivership Entities, and at my direction, my financial advisors undertook a reconciliation of the July 6, 2017 opening and closing balances of the Receivership Entities' bank accounts, brokerage accounts and investment portfolio.

25. I instituted a variety of cash disbursement, budgeting, and control protocols, all with an eye to minimizing the prospect of any sudden cash crisis and securing the Receivership's funds. These steps ensured that there was ready access to information concerning the recurring costs and expenditures required for each Receivership Asset. In turn, this enabled me to better

evaluate a given course of action with respect to any particular asset.

III. ANALYSIS AND DISPOSITION OF RECEIVERSHIP ASSETS

A. Review of Assets

26. I undertook an evaluation of the Receivership Assets, prioritizing investments that either required immediate attention or could be readily monetized in a value maximizing process that did not appear to be, and was not an actual, "fire sale."

27. As of the date of my appointment as Receiver, the opening investment portfolio consisted of 90 investments in approximately 69 entities. The investments of the Receivership Entities were diverse and were located around the country and around the world, including Brazil, China and Australia. In general, the investments fell into three main asset categories: (i) life settlement investments (*e.g.*, investments in life insurance policies), (ii) litigation finance investments, and (iii) "other" assets, which varied greatly, although there was a significant concentration in the metals, mining and energy sectors, with most of the companies in the developmental stages and having shown no proven success. In addition, I determined that a single investment could have multiple assets, some of which could be separately marketed and monetized. For example, in some cases, the Receivership Entities owned a debt position, in others an equity position, and in others it may have been a combination of the two.

28. With respect to each investment made by the Receivership Entities, I attempted to ascertain through available documentation (i) the nature of the Receivership Entities' investment, including where the Receivership Entities fell in the capital structure; and (ii) the nature and urgency of the asset's need for additional cash investment, if any, and ongoing costs to maintain the asset. These efforts were complicated and required a great deal of effort on my and my Retained Professionals' part because of incomplete or ambiguous documentation. As my team and I began our review of the assets, I determined that, particularly with respect to the PPCO

Funds, the value ascribed to investments by prior management could not be relied upon. There were a number of assets that I determined were grossly over-valued. Other assets had actual or potential liabilities, and/or required additional cash investment for the underlying company to continue or resume operations (some of which were still in the developmental stages). Some assets may have had value, but were determined to be "under water" as a result of encumbrances and therefore of no value to the Receivership Entities. *See* Dkt. No. 407, at 28-29.

29. Following that undertaking, in assessing the needs of each investment, I explored how best to monetize each investment in an orderly and responsible manner. To the extent possible, I worked with other investors in the asset to maximize recovery for both parties. For example, the Receivership Entities and PPVA both had common and/or jointly-held interests in certain investments, thus requiring coordination on the needs of such investments and how best to monetize them. My professionals and I communicated regularly with the joint liquidators (the "***Joint Liquidators***") for PPVA and the PPVA Offshore Feeder Fund and their respective professionals.

B. Disposition and Current Status of Receivership Assets

30. At this time, all Receivership Assets of value have been monetized; only assets I have determined are valueless remain. A complete list of the Receivership Assets is attached hereto as **Exhibit B**, including both the Receivership Assets disposed of, and those valueless assets that are to be abandoned under the Plan.[10]

31. As a result of efforts undertaken during the Receivership to monetize assets, and payments of certain secured, priority and administrative claims (discussed further below) the

[10] For more complete descriptions of the assets that were marketed and sold or otherwise liquidated, parties can refer to my quarterly status reports filed throughout the Case.

Receivership Entities are holding approximately $15.6 million in Cash as of September 30, 2026. *See* Rogers Decl. ¶ 21.

32. That $15.6 million includes $5.3 million in restitution payments collected by the SEC and turned over to me to distribute to Investors. As discussed further below, the $5.3 million turned over from the SEC will be treated as "Restricted Investor Funds" under the Plan, and payable only to Investors in the Receivership Entities.

IV. EXPENSES AND LIABILITIES OF THE RECEIVERSHIP ESTATE

A. Secured Claims

33. Liquidating the Receivership Assets required addressing the Receivership Entities' secured debt. As noted above, a number of the Receivership Assets were significantly encumbered—some so much so that they were underwater. And this issue was particularly acute in view of the inflated values of many Receivership Assets.

34. One of the principal challenges to formulating any plan of distribution was the resolution of the $79 million secured Claim, allegedly owed by the PPCO Master Fund and its subsidiaries and secured by substantially all of their assets. That Claim, litigated in *In re Platinum-Beechwood Litig.*, *Cyganowski v. Beechwood Re Ltd., et al.*, 18-cv-6658 (JSR), 18-cv-12018 (JSR) (the "***Beechwood Litigation***"), alone would have, at face value, eroded almost all of the Cash recovered from efforts to monetize the Receivership Assets.

35. But this was not the only asserted secured and/or priority Claim. For example, Heartland Bank asserted a claim in the amount of approximately $6.8 million, secured by a first-priority lien on effectively all of the assets of PPCO Master Fund, plus accrued interest that was at risk of being asserted at the default rate.

36. Ultimately, through litigation (Beechwood) and settlement (Heartland), all secured Claims, totaling approximately $86 million, asserted against the Receivership Estate were resolved

and satisfied for a significantly reduced sum of approximately $19 million in total. *See* Rogers Decl. ¶¶ 27-28. I previously paid these secured Claims from the Receivership Estate.

B. Administrative Expenses

i. Administrative Claim Bar Date

37. During the Receivership, consistent with the Receivership Order, all administrative expenses of the Receivership Estate (other than Professional Fee Claims and Professional Fee Claim Holdbacks, discussed further below) were paid in the ordinary course as they became due. To ensure that there were no additional, unknown Administrative Claims that had not been accounted for or satisfied in the ordinary course, in July 2022, I proposed an administrative claim bar date process. The Court approved the process by order entered on August 18, 2022. Dkt. No. 653. Pursuant to the order, the deadline to file Administrative Claims incurred on or before June 30, 2022 was October 21, 2022 at 5:00 p.m. (ET). No Administrative Claims were filed by the deadline or since.

38. I continue to pay all Administrative Claims in the ordinary course.

C. Unsecured Claims Filed Against the Receivership Entities

i. The Claims Bar Date

39. On December 10, 2018, I filed a *Motion for Entry of an Order (I) Establishing Claims Bar Dates and (II) Approving (A) a Proof of Claim Form, (B) the Form and Manner of Notice to the Claims Bar Dates and (C) Procedures for Submitting Proofs of Claim* (the "***Bar Date Motion***"). Dkt. No. 424.

40. The Court entered two orders on February 11, 2019: the first order granted the Bar Date Motion (the "***Order Granting Bar Date Motion***"), Dkt. No. 452; and the second order established a bar date and approved the procedures for filing claims (the "***Bar Date Order***"), Dkt. No. 453. The Bar Date Order set the bar date to file a proof of claim asserting a claim arising

before the Receivership Date as March 29, 2019 (the "***Bar Date***") and the bar date for governmental units to file a proof of claim as April 12, 2019 (the "***Governmental Bar Date***").

41. The Bar Date Order specifically established the categories of persons or entities that were required to timely file a Proof of Claim (as that term is defined in the Bar Date Order) and the categories of persons or entities that were relieved of filing a Proof of Claim. Specifically, parties holding investor claims, claims for unpaid redemption and administrative claims were not required to file proofs of claim.

ii. The Claims Reconciliation Process

42. In total, 327 claims were filed prior to the applicable bar dates in the total amount of $495,891,000. In furtherance of my obligations to develop a plan for the fair, reasonable, and efficient disposition of property of the Receivership Entities, I developed procedures to reconcile and verify Claims against, and Interests in, any one or more of the Receivership Entities. To that end, on November 13, 2020, I filed my *Motion for Entry of an Order to Establish Claims and Interests Reconciliation and Verification Procedures*. Dkt. Nos. 548-550. The Court entered an *Order Establishing Claims and Interests Reconciliation and Verification Procedures* on December 1, 2020 (the "***Claims/Interests Verification Order***"). Dkt. No. 554.

43. With my professionals, I commenced a comprehensive review of each of the Claims filed against and Interests in the Receivership Entities as reflected on the Receivership Entities' books and records.

iii. The Claims Analysis Report

44. In accordance with the Claims/Interests Verification Order, on March 9, 2021, I filed the *Notice of Claims Analysis Report* (the "***Claims Analysis Report***"). Dkt. No. 564.

45. As set forth in the Claims Analysis Report, I categorized Claims into separate categories for purposes of the Claims Analysis Report, including employee claims, insider indemnification claims, and settled claims. Additionally, the Claims Analysis Report set forth my determinations with respect to each filed Claim, including the Approved amount of the Claim, if any, the Receivership Entity against which the claim was Approved, and whether the Claim was secured by property of a Receivership Entity. A description of the basis of my determinations was included in the Claims Analysis Report. Certain claims were Approved as filed or pursuant to previously reached settlements, others rejected in total and others partially Approved.

iv. Claim Objections

46. Thirteen (13) Claimants, asserting multiple claims, objected to my determinations in the Claims Analysis Report. Certain of these objections were consensually resolved or the claims were withdrawn. Most of the objections were to claims asserted by Individual Defendants seeking, among other things, indemnification of their legal expenses incurred beyond what was reimbursed through D&O insurance.[11] For those objections for which no resolution was reached, I filed an Omnibus Motion to Confirm Receiver's Determinations (the "***Claims Motion***"). Dkt. No. 597.

47. While the Claims Motion was pending, and even after the Court heard oral argument on certain aspects of the Claims Motion, I continued to engage in discussions with the Claimants. As a result of these discussions, in 2024, I entered into settlements with all remaining

[11] The Prior Receiver allowed the Defendants access to the Platinum Receivership Entities' D&O Policy (without having to pay any of the premiums), but failed to obtain a release of any claims or indemnification rights above and beyond what may be reimbursed by the D&O policies. As such, the Defendants and their counsel sought payment of their legal fees on a priority basis. I would not agree to advance these legal funds to the Defendants and I objected to the claims for reimbursement.

parties that were the subject of the Claims Motion. The following summarizes the settlements that were reached:

- SanFilippo and his counsel, Ford O'Brien Landy LLP, agreed to reduce their indemnification claim by over 80% from an originally filed amount of $2,686,426.31 down to $450,000, to be paid on a priority basis, with the remaining balance dismissed with prejudice. *See* Dkt. No. 705.
- Levy and his counsel, Wilson Sonsini, agreed to substantially reduce their total claims by approximately 83%, from $13,765,000 down to $2,275,000, to be paid on a priority basis, with the remaining balance dismissed with prejudice. *See* Dkt. No. 727.
- Small and his counsel, Levine Lee, agreed to substantially reduce their total claims by approximately 90%, from $18,009,475.49 down to $1,750,000, to be paid on a priority basis, with the remaining balance dismissed with prejudice. *See* Dkt. No. 727.

48. Additionally, the Prior Receiver had, during his tenure, agreed to grant the Trustee of the Black Elk Energy Offshore Operations, LLC Litigation Trust (the "***Black Elk Trustee***"), on behalf of the Black Elk Litigation Trust, claims against PPCO and PPLO in the aggregate amount of approximately $29.6 million (the "***Black Elk Claim***"). The Black Elk Trustee, however, preserved the right to argue that the Black Elk Claim should be paid on a priority basis. I ultimately reached a settlement with the Black Elk Trustee (the "***Black Elk Settlement***"), whereby the Black Elk Trustee agreed to greatly reduce the total claim by nearly 95% down from approximately $29.6 million to $1.5 million, to be paid on a priority basis, with the remaining balance dismissed with prejudice. *See* Dkt. No. 709.

49. As of the date of this Declaration, all objections or disputes submitted by Claimants in connection with the Claims/Interests Verification Order have been resolved. The final list of

Approved Claims that have not yet been paid and are entitled to a share of the Distribution under the proposed Plan consistent with their respective Approved Amounts is attached as **Exhibit C**.

50. As set forth further below, the only outstanding Claims at this time are Professional Fee Claims and Professional Fee Claim Holdbacks, which, to the extent not resolved before, the Plan proposes a procedure and timeline for fixing.

D. Investor Interests

i. Investor Statements

51. Also in accordance with the procedure outlined in the Claims/Interests Verification Order, Investor Statements were mailed to Investors who, based on the Receivership Entities' books and records, hold Interests in the PPCO Receivership Entities and/or PPLO Receivership Entities. Dkt. No. 566.

52. The Investor Statements provided each Investor with notice of the amounts that each Investor invested in the Receivership Entities on account of their Interest, their respective contributions to PPCO or PPLO—their "***Verified Contribution Amounts***"—and the amounts received by each Investor from PPCO or PPLO pre-Receivership on account of their Interest—their respective "***Verified Withdrawal Amounts***." These amounts were based upon the books and records of the Receivership Entities.

ii. Review of Investor Interests

53. Under the Claims/Interests Verification Order, Investors had 45 days from the mailing of the Investor Statement to challenge their statements, but solely on the basis that the books were inaccurate. Claims/Interests Verification Order, at 6. There were a handful of Investors that reached out to me to discuss the information contained in their Investor Statements. My professionals communicated with each of these Investors and, if the Investor could provide documentation showing that the Receivership's books and records were inaccurate, the books were

updated accordingly. In other instances, the Investor agreed with the Receivership's books and records or could not provide documentation to refute the amounts in the Investor Statements and, accordingly, the amounts in the Receivership's books and records, as reflected in the Investor Statements, remain in place.

54. Exhibit C is solely with respect to Claimants and does not include the names of Investors or their withdrawals and contributions. This is in accordance with my approach throughout the Case, in consultation with the SEC, to protect the privacy of Investors.

V. PLAN OVERVIEW

55. As set forth above, since my appointment, I have proactively identified, preserved and monetized the Receivership Assets. Concurrent with those efforts has been an extensive analysis of the Receivership Entities' liabilities. As these efforts have come to their conclusion, I began formulating a plan of distribution that is fair and reasonable to the Claimants and the Investors of the Receivership Estate, and is in keeping with my duties under the Receivership Order.

A. General Overview of the Plan

56. There are two key components of the Plan:

a) **Distribution:** The first is a distribution (the "***Distribution***") of all Receivership Cash, less the Cash necessary for a Reserve Fund. The Distribution will be made to eligible Investors (based on the Rising Tide Formula) and to Claimants (holding Approved Claims) along two distribution waterfalls, based on whether the Claims or Interests are related to the PPCO Receivership Funds or the PPLO Receivership Funds. In each silo, Investors and Claimants share on a pro rata, pari passu basis, and recover before Insiders and the SEC, both of which are subordinated.

b) **Wind-Down:** The second component is the wind-down of the Receivership Entities and abandonment of any remaining Receivership Assets.

57. Each component will be addressed in turn. The descriptions herein are meant only to be a summary, however, and are not meant to, and should not be understood to, alter the terms of the Plan as written in the Plan itself.

B. Distribution

i. Mechanics, Generally

58. Consistent with the practice during the Receivership, the Distribution will be divided into two separate silos—the PPCO Silo and the PPLO Silo. Claimants with Approved Claims against, and eligible Investors with Interests in, the PPCO Silo will receive a share of PPCO Receivership Assets; likewise, Claimants with Approved Claims against, and eligible Investors with Interests in, the PPLO Silo will receive a share of PPLO Receivership Assets. As explained further below, eligible Investors are also entitled to a share of the Restricted Investor Funds— a pot of funds that the SEC collected and turned over to me for distribution to Investors, simply in an administrative/ministerial capacity.

59. As noted, the Cash to be distributed will be net of the amounts required in my discretion to fund a Reserve Fund. The Reserve Fund will be the source of funds for the payment of all Professional Fee Claims and Professional Fee Claim Holdbacks, whether already incurred or to be incurred after the Plan is approved. The Reserve Fund will also be used to fund virtually all administrative expenses, including any taxes owed, from approval of the Plan through the completion of the wind-down process and termination of the Receivership—referred to under the Plan as "***Post-Effective Date Costs***."

60. My goal is to make a single distribution to Investors and Claimants, as there is an expense associated with making each distribution. However, to the extent that there are significant

funds deemed undeliverable or unclaimed pursuant to the terms of the Plan, I may in my discretion redistribute these unclaimed funds in a Supplemental Distribution, conducted prior to termination of the Receivership, to the other eligible Investors and Claimants with Approved Claims to whom the first distribution was successfully made.

ii. Classification and Treatment of Claimants and Investors

61. The Plan sets forth five (5) classes of similarly situated Claims and Interests based on the respective Investors' or Claimants' status. Each such class is then subdivided based on whether the Claim or Interest arises in relation to the PPCO Receivership Entities—the "A" subclasses—or the PPLO Receivership Entities—the "B" subclasses. The classes are as follows:

- Class 1A: PPCO Administrative Claims
- Class 1B: PPLO Administrative Claims
- Class 2A-1: PPCO Interests – PPCO Domestic Investor Funds
- Class 2A-2: PPCO Interests – PPCO International Investor Funds
- Class 2B: PPLO Interests
- Class 3A: PPCO Unsecured Claims
- Class 3B: PPLO Unsecured Claims
- Class 4A: PPCO SEC Claims
- Class 4B: PPLO SEC Claims
- Class 5A: PPCO Insider Claims/PPCO Insider Interests
- Class 5B: PPLO Insider Claims/PPLO Insider Interests

62. As noted above, each PPCO-related subclass will share only in PPCO Receivership Assets, while the PPLO-related subclasses will share only in the PPLO Receivership Assets. Otherwise, the treatment method employed across equal priority classes is largely consistent. Accordingly, treatment is summarized below by class, rather than subclass.

63. While the treatment is set forth herein, the aggregate amounts of all Approved Claims and Interests in their respective classes are set forth in the Rogers Declaration. *See* Rogers Decl. ¶ 32.

1. Class 1: Administrative Claims

64. Administrative Claims are entitled to payment in full of the Allowed Amount of such Claims after the Effective Date. However, as noted above, Administrative Claims have been paid on an ongoing basis throughout the Receivership, and no Administrative Claims were submitted in connection with the related bar date. There are, therefore, no Administrative Claims to be paid in connection with this class except for the following two.

65. During the Receivership, PPCO Master Fund paid the costs, expenses and fees incurred by the PPLO Receivership Entities incurred on and after the Receivership Date. Rogers Decl. ¶¶ 18-20. PPCO Master Fund therefore has an Administrative Claim against PPLO Receivership Entities that I have deemed Allowed for purposes of the Plan, and that will be paid to PPCO prior to satisfying Claims and Interests in lower priority classes. The sharing of expenses of the Receivership fairly allocates the responsibility of the costs and expenses of maintaining the Receivership between the PPCO and PPLO entities, in accordance with the AUM Percentage (described below) utilized pre- and post-Receivership to allocate expenses.

66. Additionally, one settlement agreement entered into with a Claimant during the Receivership requires payment on a pari passu basis with Administrative Claims as the alleged basis for the claim stemmed in part from agreements entered into with the Prior Receiver. As such, I agreed to a settlement at a greatly reduced claim amount, but on a priority/administrative basis given the basis for the asserted claim. This claim is reflected in Exhibit C and remains unpaid. That Claim will be paid consistent with the treatment provided for in Class 1.

2. Classes 2 and 3: Interests and Unsecured Claims

67. After satisfying Claims in Class 1 and creation of the Reserve Fund (discussed further below), the pools of Available PPCO Cash and Available PPLO Cash will be fixed.

Investors holding PPCO Investor Interests and Claimants holding Approved PPCO Unsecured Claims (other than Insiders and the SEC) will share in the Available PPCO Cash, while Investors holding PPLO Investor Interests and Claimants holding Approved PPLO Unsecured Claims (other than Insiders and the SEC) will share in the Available PPLO Cash. The share that each Investor or Claimant will receive will be determined based on the following steps within each silo:

68. ***First***, available Cash will be allocated pro rata between all Investors and all Claimants within the silo based on (i) the aggregate value of the Investors' Net Investment Amounts and (ii) the aggregate value of all Approved Unsecured Claims.

69. ***Second***, the portion of the Cash allocated to holders of Approved Unsecured Claims will then be divided and distributed pro rata among holders of Approved Unsecured Claims in satisfaction of such Claims.

70. ***Third***, the portion of the Cash allocated to Investors will be pooled with either PPCO Restricted Investor Funds or PPLO Restricted Investor Funds, based on the appropriate silo, and the new aggregate total within each silo will be further divided among Investors using the Rising Tide Formula as follows:

a) Investors holding Interests in PPCO Domestic Investor Funds (Class 2A-1) or PPLO Investor Interests (Class 2B) will receive a distribution, if any, solely in accordance with the Rising Tide Formula in satisfaction of their Interests.[12]

b) Investors holding PPCO Investor Interests in PPCO International Funds will receive, in the aggregate, the sum of their individual shares calculated using

[12] As noted above, the Rising Tide Formula is defined, under the Plan, as "(i) an Investor's Verified Contribution Amount multiplied by the applicable Rising Tide Percentage minus (ii) an Investor's Verified Withdrawal Amount." Plan § 1.2.96. The result of this formula dictates whether and in what amount an Investor will share in the Distribution.

the Rising Tide Formula, which amount will be distributed to the Directors of the respective PPCO International Funds in satisfaction of the applicable PPCO Investor Interests. The Directors will then determine how to distribute those funds to their Investors pursuant to (1) the existing documents in effect governing such PPCO Investors Interests, (2) the applicable laws of the Cayman Islands, and (3) the Directors' fiduciary and contractual obligations. The sum provided to the Directors in this step will also be used to pay the wind-down expenses of the PPCO International Funds, including the payment of the fees of liquidators that are required to be retained to wind-down the funds.

71. Recoveries based on the foregoing will differ between silos, in part because of the differences in both asset amounts and the Claimant/Investor pools within each silo. *See* Rogers Decl. ¶ 32 (stating estimated recovery ranges). For Investor classes (2A-1, 2A-2, and 2B), those differences will, as a practical matter, result in different Rising Tide Percentages between silos. And with a different Rising Tide Percentage comes a different estimated recovery range for eligible Investors. Likewise, for Unsecured Claim classes (3A and 3B), the different asset and Claim pools will alter the pro rata calculation.

3. Class 4: SEC Claims

72. The SEC has agreed to subordinate any Claim it holds against the Receivership Entities to Investors' Interests and other Claimants' Approved Claims, including Approved Unsecured Claims. Accordingly, only after payment in *full* of (i) all Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) each Interest and Claim in Classes 1-3, will the SEC

receive the remaining Available PPCO Cash or Available PPLO Cash. I do not expect to make any Distribution to Class 4.

73. However, because the SEC is the source of the Restricted Investor Funds, to the extent that there are any undeliverable Restricted Investor Funds that cannot be redistributed, I intend to return those funds to the SEC because, again, I am holding and distributing them solely in an administrative/ministerial capacity.

4. Class 5: Insider Claims/Interests

74. Insiders that hold Approved Claims or Interests for which they have not been paid are treated as a subordinated class, after the SEC. Accordingly, only upon payment in *full* of (i) all Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) each Interest and Claim in Classes 1-4, will an Insider receive the remaining Available PPCO Cash or Available PPLO Cash, depending on which silo its Claim or Interest falls. I do not expect to make any Distribution to Class 5.

75. At this time, the only Claims subject to this treatment are those that have provided their consent to subordination under a prior settlement agreement with the Receiver. Further, my review of Investors and Claimants shows that there is only one Insider holding an Interest subject to this treatment that (i) does not have a prior settlement with the Receiver and (ii) would otherwise be eligible for a distribution under the anticipated Rising Tide Percentage/estimated recovery ranges.

76. Concurrent herewith, I will provide notice to this singular Insider of the Plan and the Insider's treatment thereunder.[13] The total value of the Insider Claim is set forth in the Rogers Declaration. Rogers Decl. ¶¶ 32.

[13] To the extent that prior to any Distribution it comes to my attention that any other Claimant or Investor could fall within the definition of Insider, I will notify such entity and treat them accordingly.

77. I believe the subordination of this singular Insider Interest is appropriate under the facts of this Case.

iii. No Receivership Tax Class

78. The Plan does not include a class for priority Receivership Tax Claims, as no such Claim has been asserted by any taxing authority. I understand that no such Receivership Tax Claim is owed.

79. Nevertheless, to the extent any taxes are owed, such Claim will be paid as a Post-Effective Date Cost through the Plans' Reserve Fund. I will continue to file tax returns for the Receivership Entities, including any final tax returns, as required.

iv. Silo/Pro Rata Approach Explained

1. Silo Approach

80. Using two different pools of assets and waterfalls for the Distribution as explained above is based on, and I believe justified by, the pre-Receivership practice of the Receivership Entities.

81. As detailed in the Rogers Declaration, all of the assets were held by, and all of the expenses were paid by, the respective master funds pre-Receivership. Rogers Decl. ¶ 7. Thus, all of the assets of the PPCO Receivership Entities were held by PPCO Master Fund and, in turn, PPCO Master Fund paid all of the expenses incurred by the PPCO Receivership Entities. The same was true of PPLO Master Fund with respect to the PPLO Receivership Entities.

82. An in-depth examination of the Receivership Entities' books and records revealed that the PPCO Receivership Entities, among themselves, and the PPLO Receivership Entities, among themselves, engaged in intra-fund transactions. At the same time, there did not appear to

be any significant transactions between the two sets of funds—that is between the PPCO Receivership Entities on the one hand and the PPLO Receivership Entities on the other.

83. Ultimately, that the flow of Cash within the funds was kept largely separate supports the siloed distribution. The silo recognizes the separateness of the funds that was maintained in operations, and, in effect, gives investors the benefits of their bargains. This is particularly true because investors invested in specific funds, rather than in Platinum generally. This method respects that choice.

84. Moreover, the difference in distribution amounts between the siloed approach in the Plan and one that collapses the silos does not materially improve distributions to any party, and it leaves others significantly worse off. Rogers Decl. ¶ 34.

85. Additionally, the siloed approach will afford me greater flexibility in winding down the Receivership. The PPLO Receivership Entities are in a position to be dissolved almost immediately following the Distribution. However, because of additional assets that are still on their books, the PPCO Receivership Entities may require additional time to dissolve. Combining the PPCO Silo and PPLO Silo into a single pool might require waiting until all assets have been abandoned before the PPLO Receivership Entities could be wound down. This would unnecessarily increase administrative costs.

86. For the above reasons, I determined that it is in the best interest of the Claimants and Investors to pool the Receivership Assets and liabilities into two silos based on whether they belonged to a PPCO Receivership Entity or a PPLO Receivership Entity.

2. Pari Passu/Pro Rata Treatment

87. As set forth above, Investors and Claimants holding Approved Unsecured Claims are treated on a pro rata, pari passu basis. Pro rata treatment is, in my view, the only possible

treatment. The alternative would be to trace individual Investors' investments to specific assets, which is simply impossible. I understand that Cash was pooled within, and utilized by, the respective master funds, regardless of source. That pooling of Cash, which was a feature of the funds, would not allow for an individual Investor's investment to be traced to any particular asset. *See* Rogers Decl. ¶¶ 14-16. Assuming it were even possible to trace Investors' Cash through the respective funds, which it is not, the cost of even attempting to do so would be prohibitive.

88. Further, pre-Receivership, payments from either fund came through the PPCO Master Fund or PPLO Master Fund. As a result, Investors and Claimants were similarly situated, with all payments made from the same pools as assets. This makes pari passu distribution between Investors and Claimants holding Unsecured Claims fair and reasonable, because it recognizes that similarly situated status and the equivalent priority that follows.

89. Beyond practical considerations, a pro rata distribution is also, in my view, more consistent with the nature of the Investors' original investments. As noted above and in the Rogers Declaration, Investors did not invest in particular assets, but in funds. The success of their investments was tied to the success of the funds. So too with the proposed pro rata distribution—the greater the recovery for the whole of the fund, the greater the recovery for the fund's Investors.

90. In keeping with the concept that Investors should receive the benefit of their bargain to the extent possible, the Plan also provides Investors with Interests in PPCO International Funds with recoveries based on the underlying agreements for those funds.

91. I further believe that, with respect to Investors, it is more appropriate to use the Rising Tide Formula to determine whether and to what extent an Investor is eligible to share in the Distribution over a pure Net Investment Method.[14] While many Investors made successful

[14] While the Plan does use a hybrid Net Investment/Rising Tide Method, this hybrid approach is a practical necessity to divide Cash among Claimants and Investors.

redemptions pre-Receivership, a number of Investors attempted to, but could not (the "***Unpaid Redeemers***"). Because these Unpaid Redeemers are being treated as Investors rather than Claimants under the approved Claims/Interests Verification Order, the pro rata method needed to account for this particular harm. Use of the Rising Tide Method takes the issue of pre-Receivership redemptions into account by treating them as distributions to be credited against what the Investor would otherwise be entitled to receive from the Receivership. Thus, Unpaid Redeemers are more likely to recover under the Rising Tide Method.

v. Creation of the Reserve Fund

92. Upon the Plan's Effective Date, I will create a Reserve Fund for the payment of (i) Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) Post-Effective Date Costs. In sum, Professional Fee Claims and Professional Fee Claim Holdbacks include all unpaid and Court-approved professional fees for myself, the Prior Receiver (if any), and any Retained Professionals for either, whether incurred prior to or after the Plan goes effective. As noted above, Post-Effective Date Costs are any administrative costs incurred after the Effective Date, other than Professional Fee Claims and Professional Fee Claim Holdbacks.

93. The Reserve Fund for the foregoing Claims and costs will be comprised of Cash sourced from both the PPCO Receivership Entities and the PPLO Receivership Entities. The respective contributions from each of the PPCO Receivership Entities and the PPLO Receivership Entities will be based on the AUM Percentage, which is the "assets under management" percentage I set and have employed based on the Receivership Entities' pre-Receivership practice, and that was used during the Receivership to allocate expenditures between the PPCO Receivership Entities and the PPLO Receivership Entities. The AUM Percentage is further described in the Rogers Declaration. Rogers Decl. ¶¶ 18-20.

94. Because the AUM Percentage has been used throughout the Receivership and allocates costs among the Receivership Entities in a clear and principled manner, I believe application of the AUM Percentage to create the Reserve Fund is fair and reasonable.

95. The aggregate funding placed into the Reserve Fund will be based on my estimates of (i) the aggregate total of Professional Fee Claims and Professional Fee Claim Holdbacks for myself and all Retained Professionals, whether retained by myself or by the Prior Receiver through the anticipated Effective Date and (ii) all Post-Effective Date Costs through the expected date of termination of the Receivership. *See* Rogers Decl. ¶¶ 38-44. Absent concrete totals for such Claims and costs, my estimates will be informed by, among other things, estimates provided by the respective professionals or that I, with the assistance of my Retained Professionals and Mr. Rogers, have generated based on the best available information.

96. Nevertheless, to the extent possible, I have crafted the Plan to ensure that the amounts for Professional Fee Claims and Professional Fee Claim Holdbacks are fixed by Court order on or shortly after approval of the Plan. As set forth in the Plan, to the extent not otherwise resolved, the Prior Receiver and all Retained Professionals other than Otterbourg are required to submit Final Fee Applications within thirty (30) days of the entry of the Plan Approval Order. The services of these individuals and firms will be terminated after the Effective Date to the extent not already terminated.

97. For myself and Otterbourg, I have agreed to accept 60% of all of our respective Professional Fee Claim Holdback amounts and will release any right to the remaining 40% of the Professional Fee Claim Holdback for myself and Otterbourg. As part of this agreement, subject to the Court's approval, all outstanding Professional Fee Claim Holdbacks for myself and Otterbourg (at the reduced amount) owed as of the Effective Date may be released from the

Reserve Fund to pay us. Riveron has agreed to take a similar discount on outstanding Holdbacks. Other discussions to resolve as yet unsettled Professional Fee Claims or Professional Fee Claim Holdbacks are ongoing and will be brought to the Court as necessary.

98. Following the Plan's Effective Date, I and Otterbourg will continue to submit fee applications consistent with the Receivership Order and past practice, through termination of the Receivership. Any future amounts awarded by the Court for Professional Fee Claims and Professional Fee Claim Holdbacks will be paid from the Reserve Fund.

99. Ultimately, to the extent Cash above and beyond what is ultimately necessary is placed in the Reserve Fund, that excess Cash may be distributed to Investors and Claimants in connection with a Supplemental Distribution, if one is warranted.

C. Wind-Down and Termination of the Receivership

100. Upon the Effective Date, contemporaneously with efforts to commence the Distribution, I will cause Otterbourg, the Directors and any other retained professional or consultant to begin the wind-down of the Receivership Entities. This effort will entail:

- The abandonment of all "***Remaining Assets***";
- The abandonment of all Causes of Action owned by the Receivership Entities except for those required to enforce agreements, including settlement agreements, entered into during the Receivership or to enforce the terms of the Plan; and
- Dissolution of the Receivership Entities as required under the law of the Entities' particular jurisdiction, including retaining (or causing the Directors to retain) liquidators to dissolve the PPCO International Investor Funds in accordance with applicable law. As noted above, to the extent liquidators are retained for the PPCO International Investor Funds, the fees of any such liquidators shall be paid by the respective PPCO International Investor Funds'

Directors in an amount consistent with the liquidators' retention agreements, from the Cash allocated to the Distribution to be made to Investors for the applicable Receivership Entities.

101. I believe that the wind-down proposed in the Plan is consistent with the scope of my authority to dispose of Receivership Property in the ordinary course of business of the Receivership Entities' orderly wind down. Receivership Order. *See* Receivership Order ¶ 28.

102. The Remaining Assets are those that have not yet been liquidated or otherwise disposed of, and that I have deemed to have relatively insignificant, if any, value to the Receivership Estate. Certain of the Remaining Assets were determined to have no or limited value earlier in the Receivership, and had therefore been written off in the Receivership's books, even though the Remaining Assets were still technically held by PPCO or PPLO. Apart from certain publicly traded stock of minimal value, Rogers Decl. ¶ 23, I understand that there is virtually no present way to monetize these assets, and likely no apparent path for doing so in the near future.

103. Because the Remaining Assets to be abandoned in connection with the proposed wind-down process are of de minimis, if any value, I believe I am authorized to abandon them as an "ordinary course" transaction under the Receivership Order. Receivership Order ¶ 30. I nevertheless have provided for these wind-down and abandonment procedures under the Plan to provide notice to all parties of my intent, and to formalize the wind-down process.

104. Upon the completion of the abandonment and other tasks noted above, along with the satisfaction or resolution of any Claims of taxing authorities that may later be asserted against any Receivership Entity, I will have completed the obligations set forth under the Receivership Order and the Plan. The Plan therefore allows me to seek termination of the Receivership and discharge of my duties at that time.

105. Finally, in an effort to preserve administrative costs, the Plan further provides for (i) a modified schedule for submitting status reports to the Court, to occur at 180-day intervals, and (ii) a modification of the Records Disposition Order currently in effect. With respect to records, the Plan provides that the Records Disposition Order will continue to control until the Receivership has been terminated, at which point I will, for one (1) calendar year, following the date that the Receivership is terminated, maintain (i) the email archive with Global Relay and (ii) the email and "SharePoint" file storage with Microsoft (Office 365 account).

VI. CONCLUSION

106. The Plan is a product of thorough analyses and a balancing of the equities based on the facts and circumstances of this Case. As a result, the Plan provides an efficient mechanism for the fair and reasonable treatment of Interests and Claims asserted against the Receivership Entities.

107. For all of the above reasons, I respectfully request that the Plan be approved.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed this 30th day of October, 2026, at New York, New York.

/s/ Melanie L. Cyganowski
Melanie L. Cyganowski, in her capacity as Receiver

EXHIBIT A

Plan of Distribution

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, -v- PLATINUM MANAGEMENT (NY) LLC; PLATINUM CREDIT MANAGEMENT, L.P.; MARK NORDLICHT; DAVID LEVY; DANIEL SMALL; URI LANDESMAN; JOSEPH MANN; JOSEPH SANFILIPPO; and JEFFREY SHULSE, Defendants.	:	No. 16-CV-6848 (BMC)

RECEIVER'S PLAN OF DISTRIBUTION

Dated: October 30, 2026

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INTRODUCTION

Melanie L. Cyganowski, the duly appointed Receiver (the "***Receiver***") in the above-captioned Securities and Exchange Commission enforcement action, on behalf of the Receivership Entities (as defined herein), respectfully proposes the following plan (the "***Plan***") for the distribution of assets of the Receivership Entities in accordance with the terms and conditions set forth below:

ARTICLE I:
DEFINITIONS AND RULES OF INTERPRETATION

1.1. Article Overview. Set forth herein in Section 1.2 are the definitions for the capitalized terms used in this Plan. Any capitalized term appearing in the Plan shall have the meaning ascribed in Section 1.2 unless otherwise stated.

1.2. Definitions.

1.2.1. ***Administrative Claim*** means a PPCO Administrative Claim or a PPLO Administrative Claim. Administrative Claims do not include Professional Fee Claims or Professional Fee Claim Holdbacks.

1.2.2. ***Approved*** means, when referring to a Claim, recognized by the Receiver as valid against the Receivership Estate in accordance with the Claims/Interests Verification Order. The list of Approved Claims is attached to the *Declaration of Melanie L. Cyganowski, as Receiver, in Support of Motion for an Order Approving Plan of Distribution*, filed contemporaneously with this Plan.

1.2.3. ***Approved Amount*** means the amount at which a Claim is Approved.

1.2.4. ***AUM Percentage*** means the "assets under management" percentage that has been set by the Receiver based on the Receivership Entities' pre-Receivership practice and used during the Receivership to allocate expenditures between the PPCO Receivership Entities and the

PPLO Receivership Entities. The AUM Percentage is equal to 95% for the PPCO Receivership Entities and 5% for the PPLO Receivership Entities.

1.2.5. ***Available PPCO Cash*** means, as of the Effective Date, all Cash allocated to the PPCO Receivership Entities on a consolidated basis, less (i) PPCO Restricted Investor Funds; (ii) Cash designated by the Receiver for the Reserve Fund; and (iii) Cash required to make the Distribution to holders of Approved PPCO Administrative Claims.

1.2.6. ***Available PPLO Cash*** means, as of the Effective Date, all Cash allocated to the PPLO Receivership Entities on a consolidated basis, less (i) PPLO Restricted Investor Funds; (ii) the amount of Cash designated by the Receiver for the Reserve Fund; and (iii) Cash required to make the Distribution to holders of Approved PPLO Administrative Claims.

1.2.7. ***Case*** means the action captioned *Securities and Exchange Commission v. Platinum Management (NY) LLC, et al*., Case No. 16-CV-6848 (BMC), pending before the Court.

1.2.8. ***Cash*** means the legal tender of the United States of America or the equivalent value of foreign currency once converted into legal tender of the United States of America.

1.2.9. ***Causes of Action*** means all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims, or any other claims whatsoever, in each case held by or assigned to the Receivership Entities, whether known or unknown, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event, circumstance or condition occurring or existing prior to the

Receivership Date or during the pendency of the Case. For the avoidance of doubt, Causes of Action shall also include arbitrations and mediations in which the Receivership Entities are parties.

1.2.10. ***Claim*** means (i) a claim to a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured, against one or more of the Receivership Entities; or (ii) a claim to a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, against one or more of the Receivership Entities. For the avoidance of doubt, an Investor's capital contribution(s) to any of the Receivership Entities does not give rise to a Claim but is instead treated under this Plan as an Interest.

1.2.11. ***Claimant*** means any Person that holds a Claim. Without limiting the generality of the foregoing, the definition of Claimant includes, but is not limited to, any Person holding a Claim based on (i) the provision of goods or services to any Receivership Entity that has not been paid in whole; (ii) money loaned to any Receivership Entity that has not been paid in whole; (iii) unpaid wages, compensation, or other employment benefits; (iv) tax liabilities, including those held by federal and state governments; (v) primary, secondary, direct, indirect, secured, unsecured, or contingent liability; or (vi) contract, tort, indemnity, reimbursement, subrogation theories, or other legal or equitable theory. For the avoidance of doubt, an Investor is not a Claimant on account of an Interest.

1.2.12. ***Claims/Interests Verification Order*** means the Court's *Order Establishing Claims and Interests Reconciliation and Verification Procedures* entered on December 1, 2020 [Dkt. No. 554].

1.2.13. ***Class*** means a category of Claims or Interests set forth in this Plan.

1.2.14. ***Court*** means the United States District Court for the Eastern District of New York.

1.2.15. ***Defendants*** means Platinum Management (NY) LLC, PPCO Portfolio Manager, and the Individual Defendants.

1.2.16. ***Directors*** means the directors of the PPCO International Investor Funds.

1.2.17. ***Discharge Application*** shall have the meaning given in Section 3.11.

1.2.18. ***Distribution*** means the initial payment or transfer of Cash to holders of Approved Claims or Interests after the Effective Date in accordance with the terms of this Plan.

1.2.19. ***Distribution Agent*** means Epiq Corporate Restructuring, LLC.

1.2.20. ***Distribution Agent Address*** means Epiq Corporate Restructuring, LLC, 1166 Avenue of the Americas, New York, New York 10036, E-mail: PTMTeam@epiqgloal.com.

1.2.21. ***Domestic Investor Funds*** means the PPCO Domestic Investor Funds and the PPLO Receivership Entities.

1.2.22. ***Effective Date*** has the meaning set forth in Section 3.1 herein.

1.2.23. ***Final Fee Application*** means an application by a Retained Professional, Receiver, or the Prior Receiver seeking final approval of any Professional Fee Claim accrued during the Receivership and, as appropriate, payment of any Professional Fee Claim Holdback.

1.2.24. ***Individual Defendant*** means any of Mark Nordlicht, David Levy, Daniel Small, Uri Landesman, Joseph Mann, and Joseph SanFilippo.

1.2.25. ***Insider*** means an Individual Defendant and an Individual Defendant's relative (through and including the fourth degree of consanguinity) and, unless the Receiver determines that such treatment is not in the best interests of the Receivership Estate or an existing settlement

agreement between the Receiver and a party provides otherwise: (i) a corporation or other entity of which an Individual Defendant, or an Individual Defendant's relative (through and including the fourth degree of consanguinity), is or has been a director, officer, member, partner, employee, consultant, contractor, managing agent, trustee, or, directly or indirectly, a Person in control; (ii) a partner or a member, or a relative of a partner or a member (through and including the fourth degree of consanguinity), of a partnership or LLC in which an Individual Defendant is or has been a general partner or managing member; and (iii) any corporation or other entity, including a trust, operated for the benefit of an Individual Defendant or an Individual Defendant's relative (through and including the fourth degree of consanguinity).

1.2.26. ***Insider Claim*** means a PPCO Insider Claim and/or a PPLO Insider Claim.

1.2.27. ***Insider Interests*** means a PPCO Insider Interest and/or a PPLO Insider Interest.

1.2.28. ***Interest*** means the equity interest in any of the Receivership Entities, which interest is based upon the ownership of membership interests or partnership interests in any of the Receivership Entities.

1.2.29. ***Investor*** means any Person that holds an Interest.

1.2.30. ***Investor Statement*** means the statement sent to each Investor containing the Verified Contribution Amount and Verified Withdrawal Amount for each such Investor, as set forth in the Receivership Entities' books and records, in accordance with the Claims/Interests Verification Order.

1.2.31. ***Limited Scope Professional*** means any (i) professional retained pursuant to the *Order Authorizing and Approving Proposed Procedures for the Retention and Payment of Additional Limited Scope Professionals* [Dkt. No. 296] or (ii) any Person employed by the

Receiver in the ordinary course to provide services on behalf of the Receiver or the Receivership Entities.

1.2.32. ***Net Investment Amount*** means, for each Investor, the amount equal to the difference between an Investor's Verified Contribution Amount and Verified Withdrawal Amount.

1.2.33. ***Notice of Occurrence of Effective Date*** has the meaning set forth in Section 3.2 herein.

1.2.34. ***Person*** means an individual, partnership, corporation, LLC, estate, trust, or governmental entity.

1.2.35. ***Plan*** shall have the meaning set forth in the Introduction paragraph of this Plan.

1.2.36. **Plan Approval Order** means an order granting the *Receiver's Motion for an Order Approving Plan of Distribution*.

1.2.37. ***Post-Effective Date Costs*** means all costs, expenses, liabilities and obligations incurred after the Effective Date by the Receivership Entities or the Receiver, *except* Professional Fee Claims and Professional Fee Claim Holdbacks, related to administering and conducting the affairs of the Receivership Entities, including those related to, without limitation, Receivership Tax Claims, winding down the Receivership Entities, and making the Distribution in accordance with this Plan.

1.2.38. ***Post-Effective Date Costs Reserve Sub-Fund*** means the Cash allocated to the Reserve Fund and held for the purpose of satisfying Post-Effective Date Costs as described in Section 3.4.2 of this Plan.

1.2.39. ***Post-Effective Date Status Report*** shall have the meaning set forth in Section 5.3 of this Plan.

1.2.40. ***PPCO Administrative Claim*** means a Claim arising prior to the Effective Date against any PPCO Receivership Entity that is (i) based on the provision of goods or services performed on or after the Receivership Date or (ii) is a Receivership Tax Claim.

1.2.41. ***PPCO Blocker*** means Platinum Partners Credit Opportunities Fund (BL) LLC.

1.2.42. ***PPCO International Investor Funds*** means PPCO Int'l Feeder and PPCO Int'l (A) Feeder, collectively.

1.2.43. ***PPCO Domestic Investor Funds*** means PPCO Blocker and PPCO US Feeder, collectively.

1.2.44. ***PPCO Insider Claim*** means a Claim held by or on behalf of an Insider against any PPCO Receivership Entity. Each PPCO Insider Claim is subordinated as set forth in Section 2.2.10 of this Plan.

1.2.45. ***PPCO Insider Interest*** means an Interest in any PPCO Receivership Entity held by or on behalf of an Insider. PPCO Insider Interests are subordinated as set forth in Section 2.2.10 of this Plan.

1.2.46. ***PPCO Int'l Feeder*** means Platinum Partners Credit Opportunities Fund International Ltd.

1.2.47. ***PPCO Int'l (A) Feeder*** means Platinum Partners Credit Opportunities Fund International (A) Ltd.

1.2.48. ***PPCO Investor Interests*** means Investors' Interests, other than PPCO Insider Interests, in either the PPCO Domestic Investor Funds or PPCO International Investor Funds.

1.2.49. ***PPCO Master Fund*** means Platinum Partners Credit Opportunities Master Fund LP.

1.2.50. ***PPCO Portfolio Manager*** means Platinum Credit Management, L.P.

1.2.51. ***PPCO Receivership Assets*** means all assets in any form, of any kind whatsoever, and wherever located in which any of the PPCO Receivership Entities has a legal or equitable interest.

1.2.52. ***PPCO Receivership Entity*** means any of PPCO Master Fund, PPCO Blocker, PPCO Int'l Feeder, PPCO Int'l (A) Feeder, PPCO Portfolio Manager, PPCO TE Feeder, and PPCO US Feeder.

1.2.53. ***PPCO Restricted Investor Funds*** means, as of the Effective Date, the Restricted Investor Funds allocated, using the AUM Percentage, to satisfy PPCO Investor Interests in Class 2A.

1.2.54. ***PPCO Rising Tide Percentage*** means the percentage, to be set by the Receiver in her discretion, used to calculate the portion of the Distribution to be made to Investors holding PPCO Investor Interests under the Rising Tide Formula as set forth in Section 2.3. The PPCO Rising Tide Percentage will be set and announced as set forth in Section 3.2.

1.2.55. ***PPCO SEC Claim*** means any SEC Claim against any PPCO Receivership Entity.

1.2.56. ***PPCO TE Feeder*** means Platinum Partners Credit Opportunities Fund (TE) LLC.

1.2.57. ***PPCO Unsecured Claim*** means a Claim, which is not an Administrative Claim, a Professional Fee Claim, a Professional Fee Claim Holdback, an Investor's Interest, an SEC Claim, an Insider Claim, or an Insider Interest, against any PPCO Receivership Entity. To the

extent a Claim meets the definition of both a PPCO Unsecured Claim and some other classification of Claim, each Claim shall be determined and treated based on the portion of the Claim that falls within each such classification.

1.2.58. ***PPCO US Feeder*** means Platinum Partners Credit Opportunities Fund LLC.

1.2.59. ***PPLO Administrative Claim*** means a Claim arising prior to the Effective Date against any PPLO Receivership Entity that (i) is based on the provision of goods or services performed on or after the Receivership Date or (ii) is a Receivership Tax Claim.

1.2.60. ***PPLO Insider Claim*** means a Claim held by or on behalf of an Insider against any PPLO Receivership Entity. Each PPLO Insider Claim is subordinated as set forth in Section 2.2.11 of this Plan.

1.2.61. ***PPLO Insider Interest*** means an Interest in any PPLO Receivership Entity held by or on behalf of an Insider. PPLO Insider Interests are subordinated as set forth in Section 2.2.11 of this Plan.

1.2.62. ***PPLO Int'l Feeder*** means Platinum Partners Liquid Opportunity Fund (International) Ltd.

1.2.63. ***PPLO Investor Interest*** means Investors' Interests, other than PPLO Insider Interests, in either the PPLO Int'l Feeder or PPLO US Feeder, and therefore indirectly in the PPLO Master Fund.

1.2.64. ***PPLO Master Fund*** means Platinum Partners Liquid Opportunity Master Fund L.P.

1.2.65. ***PPLO Portfolio Manager*** means Platinum Liquid Opportunity Management (NY) LLC.

1.2.66. ***PPLO Receivership Assets*** means all assets in any form, of any kind whatsoever, and wherever located in which any of the PPLO Receivership Entities has a legal or equitable interest.

1.2.67. ***PPLO Receivership Entity*** means any of PPLO Master Fund, PPLO Portfolio Manager, and PPLO US Feeder.

1.2.68. ***PPLO Restricted Investor Funds*** means, at the time of the Distribution (or Supplemental Distribution), the Restricted Investor Funds allocated, using the AUM Percentage, to satisfy PPLO Investor Interests in Class 2B.

1.2.69. ***PPLO Rising Tide Percentage*** means the percentage, to be set by the Receiver in her discretion, used to calculate the portion of the Distribution to be made to Investors holding PPLO Investor Interests under the Rising Tide Formula as set forth in Section 2.3. The PPLO Rising Tide Percentage will be set and announced as set forth in Section 3.2.

1.2.70. ***PPLO SEC Claim*** means any SEC Claim against any PPLO Receivership Entity.

1.2.71. ***PPLO Unsecured Claim*** means a Claim, which is not an Administrative Claim, a Professional Fee Claim, a Professional Fee Holdback, an Investor's Interest, an SEC Claim, an Insider Claim, or an Insider Interest, against any PPLO Receivership Entity. To the extent a Claim meets the definition of both a PPLO Unsecured Claim and some other classification of Claim, each Claim shall be determined and treated based on the portion of the Claim that falls within each such classification.

1.2.72. ***PPLO US Feeder*** means Platinum Partners Liquid Opportunity Fund (USA) LP.

1.2.73. ***Prior Receiver*** means Bart M. Schwartz, originally appointed as receiver for certain of the Receivership Entities by Court order entered December 19, 2016 [Dkt. No. 6], and who resigned from that role effective as of July 6, 2017 [*see* Dkt. No. 216].

1.2.74. ***Professional Fee Claim*** means a Claim by the Receiver, the Prior Receiver, or Retained Professionals for compensation for services rendered, and reimbursement of costs, expenses, or other charges incurred on and after the Receivership Date on behalf of the Receiver, the Prior Receiver, and/or the Receivership Entities.

1.2.75. ***Professional Fee Claim Holdback*** means the amount of any Professional Fee Claim allowed but held back under any order of the Court granting fee applications of the Receiver, Prior Receiver, or any Retained Professional.

1.2.76. ***Professional Fee Claim Reserve Sub-Fund*** means the Cash allocated to the Reserve Fund and held for the purpose of paying Professional Fee Claims in accordance with Section 3.4.1.

1.2.77. ***Proof of Claim*** means, with respect to a Claim, any proof of claim filed in the Case by the Claimant holding such Claim.

1.2.78. ***Receiver*** shall have the meaning set forth in the Introduction paragraph of this Plan.

1.2.79. ***Receivership*** means the receivership of the Receivership Entities and Receivership Assets commencing on the Receivership Date pursuant to the Court's *Order Appointing Receiver*, dated December 19, 2016 [Dkt. No. 6], as amended, and continuing through the date of termination of the Receivership by order of the Court.

1.2.80. ***Receivership Assets*** means PPCO Receivership Assets and PPLO Receivership Assets, collectively. For the avoidance of doubt, Receivership Assets includes Receivership Property, which term is set forth in the Receivership Order.

1.2.81. ***Receivership Date*** means December 19, 2016.

1.2.82. ***Receivership Entity*** means any of PPCO Master Fund, PPCO Blocker, PPCO Int'l Feeder, PPCO Int'l (A) Feeder, PPCO Portfolio Manager, PPCO TE Feeder, PPCO US Feeder, PPLO Master Fund, PPLO Portfolio Manager, and PPLO US Feeder.

1.2.83. ***Receivership Estate*** shall have the meaning set forth in the Receivership Order.

1.2.84. ***Receivership Order*** means the Court's *Second Amended Order Appointing Receiver* entered on October 16, 2017 [Dkt. No. 276].

1.2.85. ***Receivership Tax Claim*** means a Claim held by federal, state, local, or other governmental entity or authority against the Receivership Estate for tax or other liability, whether estimated or actual, arising during the Receivership, whether before or after the Effective Date.

1.2.86. ***Receiver's Website*** means http://www.platinumreceivership.com.

1.2.87. ***Records Disposition Order*** means the Court's *Order Approving Receiver's Motion for Authority to Discontinue the Preservation of Certain Receivership Estate Electronic and Hardcopy Records and Associated Media* entered on October 22, 2021 [Dkt. No. 593].

1.2.88. ***Remaining Assets*** means the Receivership Assets reflected on Schedule 1 to the *Declaration of Melanie L. Cyganowski, as Receiver, in Support of Motion for an Order Approving Plan of Distribution*, filed contemporaneously with this Plan.

1.2.89. ***Residual Cash*** means any Cash of the Receivership Estate remaining after the (i) Distribution, (ii) Supplemental Distribution(s), if any; (iii) payment of, or reserve for, all

Professional Fee Claims and Professional Fee Claim Holdbacks, and (iv) payment of, or reserve for, all Post-Effective Date Costs.

1.2.90. ***Reserve Fund*** means the funds held by the Receiver as a reserve contemplated by Section 3.4 of this Plan, consisting of (i) the Post-Effective Date Costs Reserve Sub-Fund and (ii) the Professional Fee Claim Reserve Sub-Fund.

1.2.91. ***Restricted Investor Funds*** means Cash received by the Receiver or any of the Receivership Entities from any governmental entity for the sole purpose of being distributed to Investors, including, without limitation, restitution funds, forfeiture, or settlement.

1.2.92. ***Retained Professional*** means any advisors and professionals retained by the Receiver or Prior Receiver by Order of the Court, whether on or after the Receivership Date, including, without limitation, Otterbourg P.C., Teneo Company (*f/k/a* Goldin Associates LLC), Riveron Consulting LLC (*f/k/a* Conway MacKenzie, Inc.), Cooley LLP, and Guidepost Solutions LLC. For the avoidance of doubt, "Retained Professional" does not include any Limited Scope Professional.

1.2.93. ***Rising Tide Formula*** means the following formula: (i) an Investor's Verified Contribution Amount multiplied by the applicable Rising Tide Percentage minus (ii) an Investor's Verified Withdrawal Amount.

1.2.94. ***Rising Tide Percentage*** means either the PPCO Rising Tide Percentage or the PPLO Rising Tide Percentage.

1.2.95. ***SEC*** means the United States Securities and Exchange Commission.

1.2.96. ***SEC Claim*** means any Claim held by the SEC in connection with this Case that is in whole or in part payable by the Receivership or from Receivership Assets.

1.2.97. ***Supplemental Distribution*** means any additional payment or transfer of Cash to holders of Approved Claims or Interests, after the Distribution, in accordance with Section 4.1 herein.

1.2.98. ***Surrender Date*** means, with respect to the Distribution or any Supplemental Distribution under this Plan, the date that is 180 days after the Distribution or any Supplemental Distribution, as the case may be.

1.2.99. ***Verified Contribution Amount*** means the "Total Contribution Amounts" value reflected in an Investor Statement or such other value as agreed to between the Receiver and an Investor in accordance with the Claims/Interests Verification Order.

1.2.100. ***Verified Withdrawal Amount*** means that "Total Distribution Amounts" value reflected in an Investor Statement or such other value as agreed to between the Receiver and an Investor in accordance with the Claims/Interests Verification Order.

1.3. Rules of Interpretation. For purposes of this Plan: (i) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter genders; (ii) any reference in this Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (iii) any reference in this Plan to an existing document or exhibit filed, or to be filed shall mean such document or exhibit, as it may have been or may be amended, modified, supplemented or restated; (iv) unless otherwise specified, all references in this Plan to Subsections, Sections, Articles and Exhibits are references to Subsections, Sections, Articles and Exhibits of or to this Plan; (v) the words "hereof", "herein", "hereto" and "hereunder" and

comparable terms refer to this Plan in its entirety rather than to a particular portion of this Plan; (vi) the words "include," "includes" and "including" shall not be limiting and shall be deemed to be followed by "without limitation" whether or not they are, in fact, followed by such words or words of like import; and (vii) captions and headings to Subsections, Sections and Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Plan.

ARTICLE II:
CLASSIFICATION AND TREATMENT OF INTERESTS AND CLAIMS

2.1 Article Overview. Set forth below is a designation of Classes of Interests in and Claims against the Receivership Entities, and a description of the Distribution that each such Class will receive. An Interest or Approved Claim is placed in a particular Class for the purpose of receiving a share of the Distribution pursuant to this Plan only to the extent that is has not been paid, released, withdrawn, or otherwise settled prior to the Effective Date.

2.2 Classes. Interests in and Claims against the Receivership Entities shall be classified and treated as follows, provided that a Claimant or Investor may agree with the Receiver, in writing, to other, less favorable treatment than is provided in that Claimant's or Investor's class:

- Class 1A: PPCO Administrative Claims
- Class 1B: PPLO Administrative Claims
- Class 2A-1: PPCO Interests – PPCO Domestic Investor Funds
- Class 2A-2: PPCO Interests – PPCO International Investor Funds
- Class 2B: PPLO Interests
- Class 3A: PPCO Unsecured Claims
- Class 3B: PPLO Unsecured Claims
- Class 4A: PPCO SEC Claims
- Class 4B: PPLO SEC Claims
- Class 5A: PPCO Insider Claims/PPCO Insider Interests
- Class 5B: PPLO Insider Claims/PPLO Insider Interests

2.2.1 Class 1A: PPCO Administrative Claims.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, each Claimant holding an Approved PPCO Administrative Claim shall receive Cash in an amount equal to the unpaid portion of the Approved Amount of such PPCO Administrative Claim, if any.

2.2.2 Class 1B: PPLO Administrative Claims.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, each Claimant holding an Approved PPLO Administrative Claim shall receive Cash in an amount equal to the unpaid portion of the Approved Amount of such PPLO Administrative Claim, if any.

2.2.3 Class 2A-1: PPCO Investor Interests - PPCO Domestic Investor Funds.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, Investors holding PPCO Investor Interests in PPCO Domestic Investor Funds will receive a pro rata share, in an amount set pursuant to Section 2.3.2, of the pooled total of (i) the portion of the Available PPCO Cash allocated to PPCO Investor Interests pursuant to Section 2.3.1 *plus* (ii) the PPCO Restricted Investor Funds.

2.2.4 Class 2A-2: PPCO Investor Interests - PPCO International Investor Funds.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, Investors holding PPCO Investor Interests in PPCO International Investor Funds will receive a pro rata share, in an amount set pursuant to Section 2.3.2, of the pooled total of (i) the portion of the Available PPCO Cash allocated to PPCO Investor Interests pursuant to Section 2.3.1 *plus* (ii) the PPCO Restricted Investor Funds.

2.2.5 Class 2B: PPLO Investor Interests.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, Investors holding PPLO Investor Interests will receive a pro rata share, in an amount set pursuant to Section 2.3.3(a), of the pooled total of (i) the portion of the Available PPLO Cash allocated to PPLO Investor Interests pursuant to Section 2.3.3 *and* (ii) the PPLO Restricted Investor Funds.

2.2.6 Class 3A: PPCO Unsecured Claims.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, each Claimant holding an Approved PPCO Unsecured Claim, shall receive a pro rata share of the portion of the Available PPCO Cash allocated to the PPCO Unsecured Claims pursuant to Section 2.3.1.

2.2.7 Class 3B: PPLO Unsecured Claims.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the Effective Date, each Claimant holding an Approved PPLO Unsecured Claim, shall receive a pro rata share of the portion of the Available PPLO Cash allocated to the PPLO Unsecured Claims pursuant to Section 2.3.3.

2.2.8 Class 4A: PPCO SEC Claims.

As soon as reasonably practicable, as determined in the Receiver's discretion (including, as the Receiver deems appropriate, based on the availability of funds), after the payment in full of (i) all Interests and the Approved Amount of Claims in Classes 1A, 2A-1, 2A-2, and 3A of this Plan and (ii) all Professional Fee Claims and Professional Fee Claim Holdbacks awarded during the Receivership pursuant to Court order, the SEC shall receive, on account of its PPCO SEC Claims, the remaining (a) Available PPCO Cash and (b) PPCO Restricted Investor Funds.

2.2.9 Class 4B: PPLO SEC Claims.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the payment in full of (i) all Interests and the Approved Amount of Claims in Classes 1B, 2B, and 3B of this Plan and (ii) all Professional Fee Claims and Professional Fee Claim Holdbacks awarded during the Receivership pursuant to Court order, the SEC shall receive, on account of its PPLO SEC Claims, the remaining (a) Available PPLO Cash and (b) PPLO Restricted Investor Funds.

2.2.10 Class 5A: PPCO Insider Claims/PPCO Insider Interests.

As soon as reasonably practicable, as determined in the Receiver's discretion, after the payment in full of (i) all Interests and the Approved Amount of Claims in Classes 1A, 2A-1, 2A-2, 3A, and 4A of this Plan and (ii) all Professional Fee Claims and Professional Fee Claim Holdbacks awarded during the Receivership pursuant to Court order, each Insider holding an Approved PPCO Insider Claim or Approved PPCO Insider Interest shall receive a pro rata share of the remaining Available PPCO Cash.

2.2.11 Class 5B: PPLO Insider Claims/PPLO Insider Interests.

As soon as reasonably practicable, as determined in the Receiver's discretion (including, as the Receiver deems appropriate, based on the availability of funds), after the payment in full of (i) all Interests and Approved Amount of all Claims in Classes 1B, 2B, 3B,and 4B of this Plan and (ii) all Professional Fee Claims and Professional Fee Claim Holdbacks awarded during the Receivership pursuant to Court order, each Insider holding an Approved PPLO Insider Claim or Approved PPLO Insider Interest shall receive a pro rata share of the remaining Available PPLO Cash.

2.3 Allocation Method for Interests and Approved Unsecured Claims (Classes 2A-1, 2A-2, 2B, 3A, and 3B).

2.3.1 Allocation of Available PPCO Cash Between PPCO Investor Interests and Approved PPCO Claims. Available PPCO Cash will be allocated on a pro rata, pari passu basis between (i) Investors holding PPCO Investor Interests in Classes 2A-1 and 2A-2, on the one hand, and (ii) Claimants in Class 3A holding Approved PPCO Unsecured Claims, on the other, as follows:

(a) ***Investors.*** The pro rata share allocated to all Investors holding PPCO Investor Interests will be set using the aggregate value of all PPCO Investors' Net Investment Amounts from both Classes 2A-1 and 2A-2. The resulting share will then be distributed to each Investor pursuant to the methodology described in Section 2.3.2.

(b) ***Claimants.*** The pro rata share allocated to all Claimants holding Approved PPCO Unsecured Claims in Class 3A will be set using the aggregate value of all Approved PPCO Unsecured Claims. The resulting share will then be distributed pro rata among holders of Approved PPCO Unsecured Claim in Class 3A using the Approved Amount of each holder's claim, as set forth in Section 2.2.6.

2.3.2 Further Allocation of Available PPCO Cash and PPCO Restricted Investor Funds Between Classes 2A-1 and 2A-2. As set forth in Sections 2.2.3 and 2.2.4, the Available PPCO Cash allocated to Investors pursuant to Section 2.3.1 and the PPCO Restricted Investor Funds will be pooled and allocated between Classes 2A-1 and 2A-2 using the aggregate

value of the respective Classes' Investors' individual pro rata shares calculated using the Rising Tide Formula. Investors will then share in those allocated sums as follows:

(a) Class 2A-1: Each Investor's pro rata share will be set in accordance with the Rising Tide Formula.

(b) Class 2A-2: Each Investor's pro rata share will be set by the applicable PPCO International Investor Funds' Directors pursuant to (1) the existing documents in effect governing such PPCO Investor's Interest, (2) the applicable laws of the Cayman Islands, and (3) the Directors' fiduciary and contractual obligations.

2.3.3 Allocation of Available PPLO Cash to Classes 2B and 3B. Available PPLO Cash will be allocated on a pro rata, pari passu basis between (i) Investors holding PPLO Investor Interests in Classes 2B, on the one hand, and (ii) Claimants in Class 3B holding Approved PPLO Unsecured Claims, on the other, as follows:

(a) ***Investors.*** The share allocated to all Investors holding PPLO Investor Interests will be set using the aggregate value of all PPLO Investors' Net Investment Amounts. The foregoing share will then be pooled with PPLO Restricted Investor Funds and distributed to each Investor using the Rising Tide Formula.

(b) ***Claimants.*** The pro rata share allocated to all Claimants holding Approved PPLO Unsecured Claims in Class 3B will be set using the aggregate value of all Approved PPLO Unsecured Claims, which amount will then be distributed pro rata among each holder of an Approved PPLO Unsecured Claim in Class 3B using the Approved Amount of such claim, as set forth in Section 2.2.7.

ARTICLE III:
PLAN IMPLEMENTATION

3.1 Occurrence of the Effective Date. The Receiver shall be authorized to execute the terms of this Plan on the first day that the following conditions have occurred ("***Effective Date***"):

(a) The Court has entered the Plan Approval Order;

(b) The order described in subsection (a) of this Section 3.1 is not subject to a stay; and

(c) The Receiver has filed the Notice of Occurrence of Effective Date, described in Section 3.2, on the docket in this Case.

3.2 Notice of Occurrence of Effective Date. The Receiver shall file a notice indicating (i) the occurrence of the Effective Date and (ii) fixing the PPCO Rising Tide Percentage and PPLO Rising Tide Percentage ("***Notice of Occurrence of Effective Date***") when, following the entry of the Plan Approval Order, in her discretion, she is prepared to begin executing the terms of the Plan. The Notice of Occurrence of Effective Date will also be posted on the Receiver's Website.

3.3 Procedures Regarding Professional Fee Claims and Professional Fee Claim Holdbacks. The following provisions of this Section 3.3 shall govern the payment of Professional Fee Claims and Professional Fee Claim Holdbacks.

3.3.1 Professional Fee Claims and Professional Fee Claim Holdbacks of the Prior Receiver and Retained Professionals (Other Than Otterbourg P.C.). Unless the Court has entered an order fixing the Professional Fee Claims on a final basis for the Prior Receiver or any of the Retained Professionals, the Prior Receiver and the Retained Professionals shall file Final Fee Applications with the Court by no later than thirty (30) calendar days after the entry of the Plan Approval Order. The Receiver will be authorized to pay the amounts awarded by the Court, whether awarded on Final Fee Application or otherwise, upon the later of (i) the Effective Date and (ii) the date on which the Court enters an order fixing the respective Professional Fee Claims

of the Prior Receiver or Retained Professionals. Notwithstanding anything to the contrary herein, the Professional Fee Claims and Professional Fee Claim Holdbacks of the Receiver and Otterbourg P.C. shall not be subject to the terms of this Section 3.3.1.

3.3.2 Payment of Professional Fee Claims and Professional Fee Claim Holdbacks of the Receiver, Otterbourg P.C.). The procedure for requests for payment of outstanding Professional Fee Claims and Professional Fee Claim Holdbacks of the Receiver and Otterbourg P.C. as set forth in the Receivership Order shall not be affected by this Plan; *provided, however*, that, upon the Effective Date, the Receiver is authorized to release 60% of the Professionals' respective Professional Fee Claim Holdbacks outstanding as of the Effective Date in full satisfaction of all such Professional Fee Claim Holdbacks.

3.3.3 Payment of Limited Scope Professionals. Irrespective of the occurrence of the Effective Date, all Limited Scope Professionals, shall continue to be paid in the ordinary course in accordance with their respective engagement agreements for services they continue to render on behalf of the Receiver and/or the Receivership Estate as the Receiver may request, which such costs being treating and paid after the Effective Date as Post-Effective Date Costs. For the avoidance of doubt, the Distribution Agent's fees and expenses for services performed in connection with the Distribution contemplated by this Plan will be treated in accordance with this Section 3.3.3.

3.4 Creation of Reserve Funds. As soon as reasonably practicable after the Effective Date, as determined in the Receiver's discretion, the Receiver shall establish the Reserve Fund by allocating Cash from the PPCO Receivership Assets and PPLO Receivership Assets, using the AUM Percentage, into the respective reserve sub-funds in accordance with Sections 3.4.1 and 3.4.2. Notwithstanding anything to the contrary herein, after the Reserve Fund is established, the

Receiver may, in her discretion, add or remove Cash from the Reserve for other purposes consistent with this Plan.

3.4.1 Professional Fee Claim Reserve Sub-Fund. The Professional Fee Claim Reserve Sub-Fund will be comprised of Cash in an amount deemed appropriate, in the Receiver's discretion, to satisfy Professional Fee Claims and Professional Fee Claim Holdbacks Approved in accordance with Section 3.3 herein.

3.4.2 Post-Effective Date Costs Reserve Sub-Fund. The Post Effective Date Costs Reserve Sub-Fund will be comprised of Cash in an amount deemed appropriate, in the Receiver's discretion, to satisfy Post-Effective Date Costs.

3.5 Termination of Retained Professionals. Upon the Effective Date, the Retained Professionals shall be deemed terminated and discharged of all duties, responsibilities, and obligations in this Receivership; *provided, however,* that the foregoing does not apply to Otterbourg P.C., which is subject to the discharge provision in Section 3.11.

3.6 Abandonment of Remaining Assets. Upon the Effective Date, the Receiver is authorized to take any steps necessary, in her discretion, to disclaim and abandon the Remaining Assets.

3.7 Abandonment of Causes of Action. Subject to the last sentence of this Section 3.7, as of the Effective Date, the Receiver shall be deemed to have abandoned any and all Causes of Action owned by the Receivership Estate, whether arising before or after the Receivership Date, that have not been the subject of an action commenced by the Receiver on behalf of the Receivership Estate as of that date. Notwithstanding the foregoing, nothing in this provision shall be construed to release or waive any right of the Receiver or the Receivership Entities to (i) enforce agreements, including settlement agreements, entered into during the Receivership or (ii) to enforce the terms of this Plan.

3.8 Dissolution of Receivership Entities. Upon the Effective Date, the Receiver shall be authorized to dissolve the Receivership Entities, including, without limitation, by filing articles of dissolution where necessary, taking any steps necessary to comply with applicable state and local laws and procedures related to entity dissolution, filing of any applicable tax returns, and, with respect to the PPCO International Investor Funds, retaining (or causing the Directors to retain) liquidators to dissolve the PPCO International Investor Funds in accordance with applicable law. To the extent liquidators are retained for the PPCO International Investor Funds, the fees of any such liquidators shall be paid by the respective PPCO International Investor Funds' Directors in an amount consistent with the liquidators' retention agreements, from the Cash allocated to the Distribution to be made to Investors for the applicable Receivership Entities, without any further obligation by the Receiver or the Receivership Entities.

3.9 Effectuating Documents; Further Transactions. Upon the Effective Date, the Receiver is authorized to and may, in the name of and on behalf of the applicable Receivership Entity, take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of this Plan, without the need for any approvals, authorization, or consents except for those expressly required pursuant to this Plan.

3.10 Post-Effective Date Costs. Except as set forth in Section 3.8, the Receiver is authorized to pay Post-Effective Date Costs incurred in connection with making the Distribution and carrying out the tasks contemplated by Sections 3.5-3.8 with Cash from the Post-Effective Date Costs Reserve Sub-Fund. For the avoidance of doubt, any Receivership Tax Claims will be paid in the ordinary course as Post-Effective Date Costs.

3.11 Discharge of Duties Under Receivership Order and Plan. Following the completion of (i) Distribution in accordance with Article II, (ii) the wind-down contemplated under Section 3.5-

3.8, and (iii) and the satisfaction of all Claims of taxing authorities against any Receivership Entity, including Receivership Tax Claims, the Receiver will have completed her duties and obligations under the Receivership Order and this Plan. Upon completion of (i) – (iii) of this Section 3.11, the Receiver and Otterbourg P.C. will, as soon as reasonably practicable thereafter, as determined in the Receiver's discretion, file an application with the Court seeking to be discharged of all duties and obligations under the Receivership Order and this Plan ("***Discharge Application***"). Such application may, as necessary, provide for a method of disposing of or distributing any Residual Cash.

3.12 Records and Documents. Notwithstanding any provision in this Plan to the contrary, the Records Disposition Order shall remain in effect on and after the Effective Date of this Plan through the date that the Receivership is terminated consistent with any order granting the Discharge Application described in Section 3.11. Upon termination of the Receivership, the Receiver will be authorized to immediately, without further notice to any Person, discontinue the preservation of all Preserved Materials (as that term is defined in the Records Disposition Order) using the methods outlined in Paragraph 4 of the Records Disposition Order; *provided, however,* that the Receiver will, for one (1) calendar year following the date that the Receivership is terminated, maintain (i) the email archive with Global Relay and (ii) the email and Sharepoint file storage with Microsoft (Office 365 account). The cost of any maintenance or closure of any account in accordance with this Section 3.12 will be treated as a Post-Effective Date Cost.

ARTICLE IV:
DISTRIBUTION

4.1 Distribution and Supplemental Distribution. The Receiver shall make the Distribution to holders of Approved Claims and Interests in accordance with the terms of this Plan, including, but not limited to, Article II and this Article IV. Notwithstanding the foregoing, the Receiver may,

in her discretion, make one or more Supplemental Distributions before the filing of the Discharge Application described in Section 3.11. Should the Receiver determine that such a Supplemental Distribution is appropriate, the Supplemental Distribution shall be in accordance with Article II and this Article IV; *provided, however*, that the Receiver may, in her discretion, increase the applicable Rising Tide Percentage. The Receiver shall announce any Supplemental Distribution by filing a notice of the same on the Court's docket, which notice shall disclose the applicable Rising Tide Percentage.

4.2 Distribution Mechanics for Domestic Investor Funds. The Receiver shall make or cause to be made the Distribution and any Supplemental Distribution contemplated by this Plan to all applicable holders of Interests or Approved Claims with respect to the Domestic Investor Funds by either (i) issuing a check that is payable in Cash to the applicable Investor or Claimant and delivered via first-class mail to the address indicated on such Investor's or Claimant's W-9 form or, if different, the alternative address designated by such Investor or Claimant in writing to the Distribution Agent in connection with the solicitation of W-9 Forms described in Section 4.11 or that may be later provided prior to the Distribution or any Supplemental Distribution to the Distribution Agent at PTMInfo@epiqglobal.com; or (ii), for those Investors or Claimants holding Interests or Approved Claims entitling them to Cash greater than or equal to $100,000.00 and upon request by such Investor or Claimant via e-mail to the Distribution Agent at the Distribution Agent Address provided prior to the Distribution or any Supplemental Distribution by wiring/ACH/electronic transfer of the Cash payment according to wiring or other bank-related instructions provided by such Investor or Claimant to the Distribution Agent, *provided, however*, that any fees or charges that may arise by operation of clause (ii) of this Section 4.2 shall be deducted from the Cash amount of the respective Investor's or Claimant's Distribution or

Supplemental Distribution; *and provided further that* any Distribution or Supplemental Distribution made under this Plan to a foreign Investor or Claimant may be, at the discretion of the Receiver, by check, wire transfer or such other means as are necessary or customary in a particular foreign jurisdiction.

4.3 Distribution to Investors in PPCO International Investor Funds. In full satisfaction of the Interests in the PPCO International Investor Funds, the Receiver shall make or cause to be made the Distribution and any Supplemental Distribution contemplated under this Plan to all applicable holders of Interests by issuing payment, in the amounts set in accordance with Section 2.3.2 herein, to the PPCO International Investor Funds' respective Directors in a manner agreed upon by the Receiver and the Directors.

4.4 Distribution Agent. The Receiver is authorized to retain the Distribution Agent effective as of April 27, 2026, for the purpose of making the Distribution and any Supplemental Distribution to Investors and Claimants in accordance with this Plan. The Distribution Agent is subject to the requirements set forth in this Plan for the payment of fees and expenses as Post-Effective Date Costs in accordance with Section 3.3.3.

4.5 Distribution Made Exclusively to Investors and Claimants of Record. Unless otherwise specified in written payment instructions provided by an Investor or Claimant, a Claimant's Proof of Claim, an Investor Statement, an Order of the Court, or previously agreed to by the Receiver, the Receiver shall not be responsible for ensuring that Cash is paid to any Investor's or Claimant's assignee or designee.

4.6 Disposition of Residual Cash. If the Receiver is left with any Residual Cash, the Receiver will, in connection with the application for discharge described in Section 3.11, seek authority to dispose of such Residual Cash as she deems appropriate in her discretion.

4.7 Voided Payments. Payments made in connection with the Distribution or Supplemental Distribution, if any, in the form of a check shall be null and void if the check is not negotiated within 180 days of the date of issuance thereof. Surplus funds resulting from the operation of this Section 4.7 shall be treated in accordance with Section 4.12 herein.

4.8 Delivery of Distribution. If payments in connection with the Distribution or any Supplemental Distribution to any Investor or Claimant is returned as undeliverable, the Receiver may, in her discretion, use reasonable efforts to determine the current address of such Investor or Claimant. Notwithstanding the foregoing, undeliverable payments shall be held by the Receiver subject to Section 4.12 of this Plan.

4.9 Minimum Distribution. Notwithstanding anything to the contrary in this Plan, no Cash payment of less than $25 dollars ($25.00) is required to be made to any Investor or Claimant of a Domestic Receivership Entity as part of the Distribution or Supplemental Distribution unless, upon the written request of the Investor or Claimant, the Receiver determines, in her discretion, to make such payment.

4.10 Withholding Taxes. Responsibility for compliance with any tax withholding, reporting, certification, and information requirements imposed by any domestic or foreign governmental authority related to any Distribution hereunder shall be borne solely by the recipient of such Distribution and not by the Receiver.

4.11 Failure to Provide W-9 Form. Investors and Claimants are required to submit a completed W-9 Form to receive the Distribution or any Supplemental Distribution. On or prior to the Effective Date, the Receiver will send blank W-9 Forms. Investors and Claimants who fail to provide the Receiver with a properly prepared, signed, and accurate W-9 Form shall be precluded from receiving any Distribution or Supplemental Distribution under this Plan.

4.12 Unclaimed Property; Surrendered Property. Investors and Claimants who fail to negotiate the Distribution or any Supplemental Distribution payment by the applicable Surrender Date shall forfeit all rights to such payment. In such instances, any forfeited Cash that otherwise would have been distributed on account of such Interest and Approved Claim shall be treated as Cash of the Receivership Estate (whether Available PPCO Cash or Available PPLO Cash, as the case may be), PPCO Restricted Investor Funds, or PPLO Restricted Investor Funds, notwithstanding any federal or state escheatment laws to the contrary. For the avoidance of doubt, the failure to negotiate prior to the Surrender Date a check or other negotiable instrument or transfer, sent in satisfaction of the Distribution or Supplemental Distribution shall invoke the operation of this Section 4.12; *provided*, *however*, that Investors and Claimants may submit a written request to the Distribution Agent requesting the reissuance of a check or other negotiable instrument or transfer within 180 days of the original issue date. Upon the forfeit of Cash pursuant to this Section 4.12, such Cash or obligation may be redistributed among remaining Investors and/or Claimants, as the case may be, in connection with any later Supplemental Distribution. Nothing shall require the Receiver or any Person acting on the Receiver's behalf to attempt to locate or notify any Person with respect to any property surrendered under this Section 4.12, or to make any subsequent attempt to deliver Cash to any Person who forfeited Cash or a right to the Distribution or any Supplemental Distribution pursuant to this Section 4.12. For the avoidance of doubt, the failure of an Investor or Claimant to negotiate a payment made in connection with the Distribution (as described in this Section 4.12) precludes that Investor or Claimant from participating in any Supplemental Distribution. Investors and Claimants bear all risk of loss with respect to providing to the Receiver or Distribution Agent, as the case may be, any information

needed to deliver and negotiate their Distribution or Supplemental Distribution payments by the applicable Surrender Date.

4.13 No Interest or Profit on Interests or Claims. Investors and Claimants shall not be entitled to any interest or profit on account of, or in connection with, their respective Interest and Claim during the period from the Receivership Date.

4.14 No Excess Recovery. In no event shall any Investor or Claimant be entitled to receive payment under this Plan totaling more than (i), on account of an Interest, the Net Investment Amount, or (ii) on account of a Claim, the Approved Amount of the Claim.

ARTICLE V:
EFFECT OF APPROVAL OF THIS PLAN

5.1 Satisfaction of Interests and Claims Against the Receivership Entities. Except as otherwise expressly provided in this Plan, the Court's entry of the Plan Approval Order shall, as of the Effective Date: (i) discharge the Receivership Entities from all Claims, demands, liabilities, other debts, Interests and other obligations that arose at any time prior to the Effective Date; and (ii) preclude any Person from asserting or otherwise pursuing against the Receivership Entities, the Receivership Estate, or the Receiver any other or further Claims or Interests based upon any act or omission, transaction, or other activity of any kind or nature that occurred at any time prior to the Effective Date.

5.2 Reports to the Court. Upon the Effective Date, the Receiver shall be relieved from filing status reports on a quarterly basis as required under the Receivership Order but shall instead file a written report (the ***"Post-Effective Date Status Report"***) with the Court no more than 180 days after the Effective Date and then no more than every 180 days thereafter until the Receiver is discharged or the Court orders otherwise. Any Post-Effective Date Status Report shall describe the status of efforts to implement this Plan. The Receiver shall post a copy of the Post-Effective

Date Status Report on the Receiver's Website to provide notice to parties in interest.

5.3 Binding Effect. This Plan shall be binding upon, and inure to the benefit of, all Receivership Entities, Investors, Claimants, parties in interest and their respective successors, assigns, representatives, and heirs, and all Persons on actual or constructive notice, to the fullest extent permitted by law, and whether or not such Persons are entitled to receive any Distribution under this Plan.

5.4 Receivership Order Not Superseded; Continuance of Powers and Authority After Effective Date. The Receivership Order, and any related orders of the Court concerning the Receiver's power and authority, shall remain in full force and effect, except as expressly modified by this Plan or order of the Court. To the extent there is any conflict between this Plan and the Receivership Order, this Plan shall control only to the extent necessary to effectuate the Distribution set forth in this Plan. The Receiver shall retain all power and authority provided in the Receivership Order until the discharge of the Receiver by order of the Court.

5.5 SEC Actions Unaffected by Plan. Except as set forth herein, nothing in the Plan shall discharge, waive, settle, release or preclude any current or future legal action or claim that has been or may be brought by the SEC, including this Case and any Claim as defined herein.

ARTICLE VI:
MISCELLANEOUS PROVISIONS

6.1 Jurisdiction. The Court shall have sole and exclusive jurisdiction to interpret and enforce this Plan. The Court shall retain exclusive jurisdiction of matters arising out of, and related to the Receivership and this Plan for, among other things, the following purposes:

(a) To consider any amendments or modifications of this Plan requested by the Receiver;

(b) Ensure that the Distribution to Investors holding Interests and Claimants holding Approved Claims are accomplished in accordance with the provisions of this Plan;

(c) To hear and determine all objections or other disputes with respect to Interests and Claims;

(d) To protect the Receivership Assets from adverse claims or interference inconsistent with this Plan, including the issuance of injunctions or other such action as may be necessary or appropriate to restrain interference with the implementation or enforcement of this Plan;

(e) To cure any defect or omission, or reconcile any inconsistency in this Plan, or any Order of the Court;

(f) To issue such Orders in aid of execution of this Plan as may be necessary and appropriate;

(g) To hear and determine all applications for compensation and reimbursement of expenses of the Receiver and any Retained Professional;

(h) To hear and determine all litigation, causes of action and all controversies, suits and disputes that may arise in connection with the interpretation, implementation, or enforcement of this Plan, and any settlements or compromises reflected herein;

(i) To hear and determine all litigation, causes of action and all controversies, suits, and disputes that may arise in connection with any action sought to be taken by the Receiver and any Retained Professional relating to, or in connection with, this Case, any of the Receivership Entities; and

(j) To enter an order granting the Discharge Application.

6.2 Modification of Plan. The Receiver is authorized, without further Court Order, to alter, amend, or modify the Plan one or more times after entry of the Approval Order so long as such alteration, amendment or modification does not materially alter the terms of the Plan. Any alteration, amendment or modification that would materially alter the terms of the Plan requires further Court Order.

6.3 Severability. If any term or provision of this Plan is determined by the Court to be invalid, void or unenforceable, the Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Notwithstanding any such holding,

alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration, or interpretation.

6.4 Governing Law. Except to the extent that federal law is applicable or this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, construed and enforced in accordance with, the laws of the State of New York without giving effect to its conflict of law principles.

6.5 Notices. Any notice required or permitted to be provided under this Plan shall be in writing and served by either (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, (iii) overnight delivery service, charges prepaid; (iv) email; or (v) by filing on the Court's docket (using the Electronic Case Files (ECF) system). If to the Receivership Entities or the Distribution Agent, any such notice shall be directed to the Distribution Agent at the Distribution Agent Address and to the Receiver at the following at the addresses set forth below:

Melanie L. Cyganowski, as Receiver
c/o Otterbourg P.C.
230 Park Avenue
New York, New York 10169
Attention: Erik B. Weinick, Esq.
Jennifer S. Feeney, Esq.
eweinick@otterbourg.com
jfeeney@otterbourg.com

6.6 No Admissions. Nothing in this Plan shall constitute or be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations. This Plan shall not be construed to constitute advice on the tax, securities, and other legal effects of this Plan as to Investors holding Interests or Claimants holding Claims against, the Receivership Entities or any of their subsidiaries or affiliates.

Dated: New York, New York
October 30, 2026

By: */s/ Melanie L. Cyganowski*

Melanie L. Cyganowski
230 Park Avenue
New York, New York 10169
Tel.: (212) 661-9100

Receiver

-and-

OTTERBOURG P.C.

Erik. B. Weinick
Jennifer S. Feeney
Michael R. Maizel
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Attorneys for Melanie L. Cyganowski, as Receiver

EXHIBIT B

Receivership Assets

PPCO/PPLO RECEIVERSHIP — MASTER ASSET REGISTER

Asset Name	Asset / Security Type	Disposition	Fund	Proceeds from Disposition
PPCO ASSETS (Platinum Partners Credit Opportunities Master Fund)				
▸ **CURRENTLY STILL HELD ON BOOKS**				
Agera Energy LLC	Preferred Stock / Claim Recovery (5% residual)	To be Abandoned	PPCO	
China Horizon Investment Group Ltd.	Loan Receivable	To be Abandoned	PPCO	
Decision Diagnostics Corp.	Common Stock	To be Abandoned	PPCO	
Yellow River	Common Stock	To be Abandoned	PPCO	
▸ **DISPOSED (Sold, Settled, Written Off on Books)**				
ALS Capital Ventures, LLC	Life Settlements Portfolio	Sold	PPCO	$31,257,888
Abdala / Sul Real (West Ventures LLC)	Partnership Interest	Sold	PPCO	$27,500,000
ALS Capital Ventures, LLC - Second Disposition	Life Settlements Portfolio	Sold	PPCO	$23,989,491
Acceleration Bay	Loan Receivable - Litigation Finance	Sold	PPCO	$11,095,251
Katrina Barge Litigation Joint Venture, LLC	Proceeds from Litigation	Settled	PPCO	$5,703,060
Alcor Energy Solutions, LLC	Seller's Note	Sold	PPCO	$3,075,000
Milberg LLP	Profits Share	Settled	PPCO	$2,250,000
Martin Kenney & Co. Ltd.	Loan Receivable	Settled	PPCO	$1,817,527
Andrew McCarrell v. Hoffmann-La Roche (Accutane)	Litigation Finance Investment	Sold	PPCO	$1,800,000
Cokal Limited - Loan	Loan Receivable	Settled	PPCO	$1,476,169
Blumont Limited	Common Stock	Sold	PPCO	$1,411,528
Azarga Uranium Corp.	Common Stock	Sold	PPCO	$1,373,919
Airdye Solutions LLC	Loan Receivable	Sold	PPCO	$1,265,300
Cokal Limited - Common Stock	Common Stock	Sold	PPCO	$810,204
Greentown Oil Company, LLC	Secured Note & Unsecured Note	Settled	PPCO	$800,000
Daybreak Oil and Gas, Inc.	Term Loan, Warrants & 40% PPCO Ownership in Belvidere Field (MI)	Settled	PPCO	$700,000
Pedevco Corp.	Loan Receivable & Common Stock	Sold	PPCO	$590,684
Desert Hawk Gold Corp.	Loan Receivable	Settled	PPCO	$416,677
Martin Kenney & Co. Ltd.	Supplemental Interest	Settled	PPCO	$300,000
American Patriot Gold, LLC	Fee Ownership of Real Estate	Sold	PPCO	$280,000
Arabella Exploration Inc.	Loan Receivable	Sold	PPCO	$261,000
Grey K Environmental Fund II, L.P.	Investment in Closed-End Fund	Sold	PPCO	$149,129
Cleveland Mining Company Ltd.	Loan Receivable & Common Stock	Sold	PPCO	$100,375
Rolling Acres of Stamford	Loan Receivable	Sold	PPCO	$100,000
Excalibur	Litigation Finance Investment	Settled	PPCO	$98,713
Marquis Healthcare Inc	Common Stock	Sold	PPCO	$50,000
Merlin Diamonds Limited	Common Stock	Sold	PPCO	$49,301
Freedom Well Services	Loan Receivable	Sold	PPCO	$25,000
Pro Player Athletes	Loan Receivable	Settled	PPCO	$20,000
Proteus	LLC Interest	Sold	PPCO	$20,000

Thomas Martin Family Trust	Life Settlements Portfolio	Sold	PPCO	$17,500
Total Asset Recovery Services, LLC (TARS)	Litigation Finance Investment	Sold	PPCO	$12,800
NJ Ethanol LLC	Class B Preferred Stock & Common Stock	Sold	PPCO	$10,000
Elysium Resources Ltd.	Common Stock	Sold	PPCO	$1,719
Nordaq Energy Inc.	Common Stock & Warrants	Sold	PPCO	$100
Celsius Resources Ltd	Common Stock	Sold	PPCO	$87
Buffalo Lake Advanced Biofuels LLC	Loan Receivable & Common Stock	Written Off/To Be Abandoned	PPCO	$0
Estate of William Davidson v. Deloitte Tax LLP	Litigation Finance Investment	Written Off/To Be Abandoned	PPCO	$0
Genesis Resources	Common Stock	Written Off/To Be Abandoned	PPCO	$0
Judah Perlstein	Loan Receivable	Written Off/To Be Abandoned	PPCO	$0
Reed Smith	Non-Recourse Loan - Litigation Finance	Written Off/To Be Abandoned	PPCO	$0
Activision TV, Inc.	Patent Portfolio	Written Off/To Be Abandoned	PPCO	$0
Carbon Credits	Participations in PPVA deals	Written Off/To Be Abandoned	PPCO	$0
Claus Shelling Family Trust	Life Settlements Portfolio	Written Off/To Be Abandoned	PPCO	$0
Credit Card Receivables Portfolio	Loan Receivable (Managed Portfolio)	Written Off/To Be Abandoned	PPCO	$0
Environmental Service Professionals, Inc.	Common Stock	Written Off/To Be Abandoned	PPCO	$0
Golden Gate Oil LLC	Notes Receivable	Written Off/To Be Abandoned	PPCO	$0
Khorrami Pollard & Abir, LLP	Loan Receivable	Written Off/To Be Abandoned	PPCO	$0
Millennium Healthcare, Inc.	Common Stock	Written Off/To Be Abandoned	PPCO	$0
MMP Resources Limited (f/k/a Sino Construction)	Common Stock	Written Off/To Be Abandoned	PPCO	$0
Montsant Partners LLC	Loan Receivable	Written Off/To Be Abandoned	PPCO	$0
Nisayon International Inc.	Loan Receivable	Written Off/To Be Abandoned	PPCO	$0
Over Everything LLC	Loan Receivable & Common Stock	Written Off/To Be Abandoned	PPCO	$0
Pro Player Athletes	Residual Interest in Portfolio	Written Off/To Be Abandoned	PPCO	$0
Urigen Pharmaceuticals, Inc.	Note Receivable & Preferred Stock	Written Off/To Be Abandoned	PPCO	$0
Xcell Energy Inc.	Loan Receivable	Written Off/To Be Abandoned	PPCO	$0
Greehey & Company	Loan Receivable	Settled-No Recovery	PPCO	$0
Bahamas Properties	Ownership Interest	Sold-No Recovery	PPCO	$0
Cokal Limited - Warrants	Warrants	Sold-No Recovery	PPCO	$0
Infinity Augmented Reality	Common Shares	Written Off/To Be Abandoned	PPCO	$0
LC Energy Operations LLP	Loan Receivable & Common Stock	Sold-Payment in Exchange for Assignment of Environmental Liabilities	PPCO	($386,000)

PPLO ASSETS (Platinum Partners Liquid Opportunity Master Fund)

▸ **DISPOSED (Sold, Settled, Written Off on Books)**

Cokal Limited	Common Stock	Sold	PPLO	$1,402,389
Navidea Biopharmaceuticals, Inc.	Common Stock	Sold	PPLO	$742,892
Immudyne Inc	Common Stock	Sold	PPLO	$340,876
Hillgrove Resources Limited	Common Stock	Sold	PPLO	$169,927
Blink Car Charging (f/k/a Car Charging Group)	Common Stock	Sold	PPLO	$116,111
Vistagen Therapeutics	Common Stock	Sold	PPLO	$75,638
Bang Holdings Corp.	Warrants	Sold	PPLO	$50,100
Copper Rider / Parot Tovot	Loan Receivable (two facilities)	Settled	PPLO	$23,789
Echo Therapeutics, Inc.	Preferred Stock, Common Stock & Warrants	Sold	PPLO	$100

Range Resources Limited	Common Stock	Written Off/To Be Abandoned	PPLO	$0
Sun Resources NL	Options	Written Off/To Be Abandoned	PPLO	$0
Valley Forge	Common Stock	Written Off/To Be Abandoned	PPLO	$0
Woori Technology Inc.	Warrants	Written Off/To Be Abandoned	PPLO	$0
Misung Polytech	Loan Receivable	Written Off/To Be Abandoned	PPLO	$0
Infinity Augmented Reality, Inc.	Series A Preferred, Series B Preferred, Common Stock & Options	Written Off/To Be Abandoned	PPLO	$0
Northstar Offshore Group	Preferred Stock, Loan Receivable (Subordinated Debt & Line of Credit) & Note	Written Off/To Be Abandoned	PPLO	$0
Alcyone Resources Limited	Common Stock & Note Receivable	Written Off/To Be Abandoned	PPLO	$0
China Cablecom Holdings Ltd.	Common Stock & Preferred Stock	Written Off/To Be Abandoned	PPLO	$0
Ochre Group Holdings Limited	Common Stock	Written Off/To Be Abandoned	PPLO	$0
Wexford Petroleum Corporation	Common Stock	Written Off/To Be Abandoned	PPLO	$0
Black Elk Energy Offshore Operations LLC (f/k/a Black Elk Energy LLC)	Note Receivable;Converted to Bankruptcy Claim	Settled	PPLO	$0

EXHIBIT C

Approved Claims

APPROVED CLAIMS

PPCO - UNSECURED CLAIMS

Claim No.	Claimant	Classification	Approved Claim Amount
259	Abigail Baez	General Unsecured	$ 12,500.00
27	Anderson Larson Saunders and Klassen PLLP	General Unsecured	$ 19,455.50
65	Bankers Conseco Life Insurance Company	General Unsecured	$ 1,000,000.00
97	Benesch, Friedlander, Coplan & Aronoff LLP	General Unsecured	$ 29,981.00
215	Brennan, Manna, Diamond, LLC	General Unsecured	$ 78,783.00
260	Curtis, Mallet-Prevost, Colt & Mosle LLP	General Unsecured	$ 341,012.43
265	David Lichtman	General Unsecured	$ 50,000.00
306	David Steinberg	General Unsecured	$ 364,009.24
35	David Stern	General Unsecured	$ 100,000.00
308	Dechert LLP	General Unsecured	$ 73,568.56
17	Duane Morris LLP	General Unsecured	$ 17,110.58
334	Forshey Prostok LLP	General Unsecured	$ 133,417.27
11	Ganfer & Shore, LLP	General Unsecured	$ 135,048.00
58	George J Duch	General Unsecured	$ 4,500.00
118	Guidepost Solutions LLC	General Unsecured	$ 94,273.94
13	Israel Adler	General Unsecured	$ 20,000.00
335	James Stuckert, Diane Stuckert, and Solomon Howell	General Unsecured	$ 3,500,000.00
207	Joe Mann	General Unsecured	$ 49,174.35
68	Joseph Ritterman	General Unsecured	$ 70,000.00
251	Kalter Estate	General Unsecured	$ 128,569.92
32	Kroger, Gardis & Regas, LLP	General Unsecured	$ 56,768.67
9	Law Firm of Robert A Weiner	General Unsecured	$ 16,737.00
175	Law Offices of Stephen B. O'Connell, PLLC	General Unsecured	$ 70,959.69
333	Maples & Calder	General Unsecured	$ 42,636.81
8	Maslon LLP	General Unsecured	$ 149,074.00
33	Morrison Cohen LLP	General Unsecured	$ 19,442.70
30	Noemi Arroyo-Morales	General Unsecured	$ 40,000.00
31	Ogier	General Unsecured	$ 32,909.25
312	Richard Stadtmauer	General Unsecured	$ 12,155,072.96
55	Soloman Harris	General Unsecured	$ 43,121.52

26	State of California Franchise Tax Board	General Unsecured	$ 1,074.65
36	State of California Franchise Tax Board	General Unsecured	$ 1,077.60
165	Suzanne Horowitz	General Unsecured	$ 42,500.00
20	The Bank of New York Mellon	General Unsecured	$ 50,158.00
		PPCO General Unsecured Claims	**$ 18,942,936.64**

PPCO - ADMINISTRATIVE/PRIORITY CLAIM

Claim No.	Claimant	Description	Approved Claim Amount
268	New Mountain Finance Corporation	PPCO Administrative/Priority	**$ 263,035.00**

PPCO - SUBORDINATED CLAIMS

Claim No.	Claimant	Description	Approved Claim Amount
312	Richard Stadtmauer	PPCO Subordinated Claim	**$ 4,969,759.04**

PPLO - UNSECURED CLAIMS

Claim No.	Claimant	Description	Approved Claim Amount
235	Adam Brenner	General Unsecured	$ 376,000.00
15	Eli Bensinger	General Unsecured	$ 30,000.00
56	George Duch	General Unsecured	$ 22,500.00
281	Greg Brenner	General Unsecured	$ 376,000.00
122	Guidepost Solutions LLC	General Unsecured	$ 4,363.65
10	Law Firm of Robert A Weiner	General Unsecured	$ 24,538.00
302	Mikal Patel	General Unsecured	$ 376,000.00
16	Raab, Sturm & Ganchrow, LLP.	General Unsecured	$ 186,046.00
104	Suzanne Horowitz	General Unsecured	$ 1,988.00
2	Walkers	General Unsecured	$ 10,028.00
		PPLO General Unsecured Claims	**$ 1,407,463.65**

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, -v- PLATINUM MANAGEMENT (NY) LLC; PLATINUM CREDIT MANAGEMENT, L.P.; MARK NORDLICHT; DAVID LEVY; DANIEL SMALL; URI LANDESMAN; JOSEPH MANN; JOSEPH SANFILIPPO; and JEFFREY SHULSE, Defendants.	No. 16-CV-6848 (BMC)

DECLARATION OF TREY ROGERS IN SUPPORT OF MOTION FOR AN ORDER APPROVING PLAN OF DISTRIBUTION

I, Trey Rogers, hereby submit this Declaration based upon my personal knowledge, except as otherwise noted. I believe that the following is true to the best of my knowledge, information and belief:

1. I make this declaration in my capacity as consultant to Platinum Partners Credit Opportunities Master Fund L.P. ("***PPCO Master Fund***"), Platinum Partners Credit Opportunities Fund (BL) LLC ("***PPCO Blocker***"), Platinum Partners Credit Opportunities Fund International Ltd. ("***PPCO Int'l Feeder***"), Platinum Partners Credit Opportunities Fund International (A) Ltd. ("***PPCO Int'l (A) Feeder***"), Platinum Partners Credit Opportunities Fund (TE) LLC ("***PPCO TE Feeder***"), Platinum Partners Credit Opportunities Fund LLC ("***PPCO US Feeder***"), Platinum Credit Management, L.P. ("***PPCO Portfolio Manager***", and with PPCO Master Fund, PPCO Blocker, PPCO Int'l Feeder, PPCO Int'l (A) Feeder, PPCO TE Feeder, and PPCO US Feeder,

"***PPCO***"), Platinum Partners Liquid Opportunity Master Fund L.P. ("***PPLO Master Fund***"), Platinum Partners Liquid Opportunity Fund (USA) LP ("***PPLO US Feeder***") and Platinum Liquid Opportunity Management (NY) LLC ("***PPLO Portfolio Manager***") (collectively, "***PPLO***" and, with PPCO, "***Platinum***" or, after the commencement of the Receivership, the "***Receivership Entities***").

2. I submit this Declaration in support of the *Motion for an Order Approving Plan of Distribution* (the "***Motion***") filed contemporaneously herewith. A copy of the recommended plan of distribution (the "***Plan***")[1] referenced herein is attached as Exhibit A to the *Declaration of Melanie L. Cyganowski in Support of Motion for an Order Approving Plan of Distribution* (the "***Cyganowski Declaration***").

3. I am a Certified Public Accountant licensed in the State of New York.

4. After working at several large public accounting firms, from June 2014 to January 2017, I was employed by PPCO Portfolio Manager as Director of Financial Reporting. In that capacity, I was responsible for accumulating the relevant information as it related to the preparation of the financial statements for certain of the Receivership Entities.

5. Thereafter, I was employed by the Receivership Entities as their Chief Financial Officer, which role continued until 2023, when I transitioned to a consultant relationship as my full-time services were no longer needed. In my capacity as full-time Chief Financial Officer and later consultant, my duties included, among other things, the tracking of expenses paid by the Receivership Entities, maintaining the Receivership Entities' financial books and records, and overseeing the preparation of the Receivership Entities' financial reports and statements, including tax returns.

[1] Capitalized terms used but not defined herein have the meaning ascribed in the Plan.

6. Therefore, based upon my prior position as Director of Financial Reporting, Chief Financial Officer, and now as consultant, I am competent to testify as to the facts set forth in this declaration.

I. Platinum's Pre-Receivership Structure and Operations

7. Pre-Receivership, Platinum operated in accordance with a master-feeder hedge fund structure, with Investor capital flowing from PPCO or PPLO feeder funds up to and from their respective PPCO or PPLO master funds.

8. Among the PPCO Receivership Entities were four feeder funds: (i) PPCO TE Feeder, (ii) PPCO Int'l Feeder, (iii) PPCO Int'l (A) Feeder, and (iv) PPCO US Feeder. Investors' money was invested into one or more of these feeder funds. The feeder funds would then invest, either directly, or indirectly through a blocker fund (*i.e.*, PPCO Blocker), into the master fund (*i.e.*, PPCO Master Fund). Substantially all of the PPCO Investors' money flowed to PPCO Master Fund.

9. The PPCO Master Fund pooled the capital it received from the feeders without regard to its source and, in turn, invested that pooled capital in various assets either directly or through various subsidiaries. There were over 30 direct or indirect, separately-organized subsidiaries of PPCO Master Fund.

10. In effect, all of the assets held within PPCO were held, directly or indirectly, by the PPCO Master Fund. As of December 31, 2016, the PPCO Master Fund had a purported $553 million in assets under management.

11. The PPLO Receivership Entities were a much smaller fund in comparison, with a purported $20 million in assets under management as of December 31, 2016. Though smaller, the PPLO Receivership Entities operated under a similar structure to the PPCO Receivership Entities.

12. Specifically, the PPLO Receivership Entities included two feeder funds: (i) PPLO US Feeder and (ii) Platinum Partners Liquid Opportunity Fund (International) Ltd. ("***PPLO Int'l Feeder***"). Investors' money was invested into one or more of these feeder funds. The feeder funds would then invest, either directly, or indirectly through an intermediate fund, into the master fund, PPLO Master Fund.

13. As with PPCO, the PPLO Master Fund pooled the capital it received from its feeders without regard to source and, in turn, invested that pooled capital in various assets either directly or through its separately-organized subsidiaries.

14. Based on the foregoing, Platinum operated as two separate "pooled investment vehicles"—that is, funds that receive investments from multiple Investors, pools those funds, without distinction, and deploys the funds for investments and any other purpose.

15. PPCO operated as one such pooled investment vehicle, and PPLO operated as another, separate vehicle, with each fund purportedly offering different investments. Generally, PPCO's investment strategy included direct lending investments in private companies, while PPLO's investment strategy was predominantly investing in publicly traded securities.

16. Investors would choose in which of the funds and strategies to invest and, consistent with the "pooled investment vehicle" model, Investors in PPCO or PPLO did not purchase interests directly in any investments made by the respective funds. Instead, Investors made their investments in a fund directly, and all Investors within that fund would share ratably in any gains or losses the fund's investments made. Likewise, while some Investors chose to invest in both funds, their gains or losses were tied to each fund separately.

17. My review of Platinum's books and records further suggests that Investors' funds were kept separate between PPCO and PPLO. While funds were regularly moved within each of

PPCO and PPLO—between the feeders and the account of each master fund—those funds were not moved directly between PPCO and PPLO.

II. Receivership Finances

A. Assets Under Management (AUM) Percentage

18. During the course of the Receivership I caused PPCO Master Fund to pay the costs, expenses, and fees of all of the Receivership Entities. It was not always possible to directly attribute a cost, expense, or fee to one or the other of the PPCO Receivership Entities or the PPLO Receivership Entities (*e.g.*, payment of professional fees, salaries and overhead expenses). Accordingly, in consultation with the Receiver, I allocated the expenses between the two silos using an "assets under management" percentage ("***AUM Percentage***"). Each of the PPCO Receivership Entities and the PPLO Receivership Entities would have a liability in accordance with its assigned AUM Percentage.

19. The AUM Percentage used for PPCO is 95%. The AUM Percentage used for PPLO is 5%.

20. Any payments made by the PPCO Master Fund for the benefit of the PPLO Receivership Entities, whether based on the actual amount of the cost, expense or fee incurred by PPLO Receivership Entities, or based on the PPLO Receivership Entities' respective AUM Percentage, were recorded by the PPLO Master Fund as an Administrative Claim payable to PPCO. I understand that the Receiver is treating this as an Approved Administrative Claim held by the PPCO Receivership Entities.

B. Current Receivership Assets

21. As of September 30, 2026, the Receivership Entities in the aggregate had approximately $15.6 million in Cash.[2] Approximately $12.1 million was held by the PPCO Receivership Entities through the PPCO Master Fund. Approximately $3.5 million was held by the PPLO Receivership Entities through the PPLO Master Fund.

22. In addition to Cash, the remaining Receivership Assets also consist of certain remaining stock and loan receivables, as well as a residual interest in litigation. Many assets were previously written off of the books and records of the Receivership Entities and, I understand, are to be abandoned. The Receivership Assets and their respective status or disposition are listed on Exhibit B to the Cyganowski Declaration.

23. I have determined based upon my own due diligence and discussions with counsel for the Receiver, that, with the exception of one publicly traded stock position of negligible value, there is virtually no present way to monetize the remaining Receivership Assets, and no apparent path for doing so in the near future. I have advised the Receiver of this determination.

24. With respect to the PPLO Receivership Assets, there are currently no remaining assets left that can be monetized. I have been advised by counsel to the Receiver that there will not be any distribution to PPLO on account of its subordinated bankruptcy claim in the Black Elk Energy LLC bankruptcy case and, accordingly, have removed that asset from the books and records of PPLO. I understand that it will be deemed abandoned under the proposed Plan.

[2] This includes $5.3 million in "Restricted Investor Funds" received from the SEC for payment to Investors, which has been divided among the PPCO Receivership Entities and PPLO Receivership Entities in accordance with their respective AUM Percentages.

C. Payments Made in Satisfaction of Claims During the Receivership

25. The total amount of Claims asserted against the Receivership Entities was $495,891,000. As set forth in the Cyganowski Declaration, after reconciling those asserted Claims through the Claims/Interests Verification Procedures and obtaining a number of settlements with Claimants over the course of the Receivership, the total was considerably reduced.

26. Additionally, as a part of certain settlements, a number of payments were made in full satisfaction of as-reduced Claims, including to certain of the Defendants and other Claimants, further reducing the total Claim pool. *See* Cyganowski Decl. ¶¶ 46-48 (describing settlements with certain claimants).

27. As of September 30, 2026, the Receivership Entities have paid $19,374,754 in satisfaction of secured Claims asserted against the Receivership Estate. An additional $5,975,000 has been paid in satisfaction of the Claims asserted by the Black Elk Litigation Trust and the Individual Defendants.

28. Of note, as a result of these payments, as well as other actions taken consistent with settlement agreements entered into, all Claims asserted against the Receivership Estate that were alleged to be secured by Receivership Assets have been satisfied or liens removed as a result of litigation. *See, e.g.*, Cyganowski Decl. ¶¶ 33-36 (discussing Heartland Bank settlement and Beechwood Litigation settlement). In other words, there are no remaining secured Claims against the Receivership Estate that need to be paid through the Plan.

III. Plan

29. As set forth in the Cyganowski Declaration, the Plan sets forth five (5) classes of Claims and Interests, in addition to unclassified Professional Fee Claims and Professional Fee Claim Holdbacks. Each such class is then subdivided based on whether the Claim or Interest arises

in relation to the PPCO Receivership Entities—the "A" subclasses—or the PPLO Receivership Entities—the "B" subclasses. The classes are as follows:

- Class 1A: PPCO Administrative Claims
- Class 1B: PPLO Administrative Claims
- Class 2A-1: PPCO Interests – PPCO Domestic Investor Funds
- Class 2A-2: PPCO Interests – PPCO International Investor Funds
- Class 2B: PPLO Interests
- Class 3A: PPCO Unsecured Claims
- Class 3B: PPLO Unsecured Claims
- Class 4A: PPCO SEC Claims
- Class 4B: PPLO SEC Claims
- Class 5A: PPCO Insider Claims/PPCO Insider Interests
- Class 5B: PPLO Insider Claims/PPLO Insider Interests

30. Each PPCO-related subclass will share only in PPCO Receivership Assets, while the PPLO-related subclasses will share only in the PPLO Receivership Assets.

31. The treatment of each class and subclass is summarized in the Cyganowski Declaration. To aid in the Court's, Claimants', and Investors' ability to understand the impact of their proposed treatment, below I provide the amounts of unpaid Claims or Interests in each class. Finally, to aid in understanding the amounts that may be placed into the Reserve Fund, I provide a current estimate of currently outstanding Professional Fee Claims and Professional Fee Claim Holdbacks, as well as a current estimate of such Claims in the future and any Post-Effective Date Costs.

A. Claim Amounts Per Class

32. The below chart sets forth (i) the aggregate amounts of Approved Claims or Interests proposed to be paid in accordance with the terms of the Proposed Plan and (ii) an expected recovery percentage for each Claimant or Investor within each class. A list of the Approved Claims, which I assisted in compiling, is attached to the Cyganowski Declaration. The amount of Interests is stated based on the aggregate of the Investors' Net Investment Amounts within the

respective class; whether or not an Investor will be entitled to any distribution under the Plan is dependent upon application of the Rising Tide Formula.

Class	Aggregate Claim/Interest Amount (Rounded)	Estimated Recovery Range
Class 1A	$263,000	100%
Class 1B	$1,328,064	100%
Class 2A-1	$167,144,213	1%-3%
Class 2A-2	$145,633,547	1%-3%
Class 2B	$15,896,988	13%-15%
Class 3A	$18,942,937	.5%-1.5%
Class 3B	$1,407,464	11%–12%
Class 4A	Unliquidated	0%
Class 4B	Unliquidated	0%
Class 5A	$8,467,334	0%
Class 5B	$0	0%

33. The recovery range set forth in the above chart is a best estimate based on currently available information. The actual recovery percentage is ultimately dependent upon a number of variables, including the number of Investors and Claimants in each silo and their respective Interest and Claim values, as well as the amount of Cash available for each silo. With respect to available Cash, I understand from the Receiver that this will be fixed closer to the Plan's Effective Date based on the amount needed for the Reserve Fund (discussed further below).

34. At the Receiver's request, I compared the above estimated recoveries with those of a hypothetical distribution conducted by pooling all Receivership Assets, Claims, and Interests into a single silo. Under that approach, all eligible Investors' estimated recovery range, whether

their Interests were in the PPCO Receivership Entities or the PPLO Receivership Entities, were approximately 1%-4%. Compared with the Plan's dual-silo approach, then, the expected recovery for Investors holding PPCO Investor Interests increases minimally, but the expected recovery for PPLO Investors decreases significantly.

B. Reserve Fund Estimate

35. As the Cyganowski Declaration describes, the Plan calls for the creation of a Reserve Fund that will be used to satisfy (i) Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) Post-Effective Date Costs.

36. The Reserve Fund will be comprised of Cash sourced from both the PPCO Receivership Entities and the PPLO Receivership Entities in accordance with their AUM Percentage. However, the aggregate amount used to fund the Reserve Fund will depend on actual and estimated Professional Fee Claims and Professional Fee Claim Holdbacks for the Receiver and all Retained Professionals and all Post-Effective Date Costs.

37. While the above total has yet to be completely calculated, the following provides the currently available actual and estimated amounts that will inform the Reserve Fund's ultimate funding amount.

(i) Professional Fee Claims and Professional Fee Claim Holdbacks

38. I have estimated all Professional Fee Claims and Professional Fee Claim Holdbacks that have been or will be incurred through December 31, 2026 of the following: the Receiver, Otterbourg P.C. (*"**Otterbourg***"), Teneo Company (f/k/a Goldin Associates LLC) ("***Teneo***"), Riveron Consulting LLC (*f/k/a* Conway MacKenzie, Inc.) ("***Riveron***"), and Cooley LLP ("***Cooley***"). The breakdown for these Retained Professionals is as follows:

Professional	Holdbacks Through 3/31/26	Estimates Through 12/31/26
Receiver/Otterbourg	$3,494,942[3]	$742,823[4]
Teneo	$1,311,735	$5,000
Riveron	$295,024[5]	N/A
Cooley	$434,808	N/A

39. The aggregate of the foregoing Professional Fee Claims and Professional Fee Claim Holdbacks represent an approximate Cash needed to fund the Reserve Fund in order to satisfy Professional Fee Claims and Professional Fee Claim Holdbacks through the Effective Date.

40. In addition, I have been advised that the Prior Receiver filed a single interim fee application prior to resigning that has not yet been approved or denied. The timing and result of the resolution of this Professional Fee Claim, or any additional claim of the Prior Receiver, will materially impact the total amount needed for the Reserve Fund and, in turn, the timing and amount of any Distribution.

41. Going forward, as explained in the Cyganowski Declaration, the Professional Fee Claims and Professional Fee Claim Holdbacks of the Receiver and Otterbourg P.C. will continue to accrue in accordance with the Receivership Order and be awarded only by Court order through termination of the Receivership. All other Retained Professionals will be terminated as of the Effective Date. The Receiver and Otterbourg have advised that they estimate professional fees

[3] The Receiver and Otterbourg have voluntarily agreed to take a reduction of 40% of the holdbacks on its approved fees, subject to Court approval. The amount listed, however, reflects the full amount currently owed as reflected on the Receivership's books and records. Accordingly, this amount may be reduced.

[4] The Receiver and Otterbourg have a pending fee application seeking $212,823 in fees. The Receiver and Otterbourg have additional estimated fees and expenses for the third and fourth quarter of approximately $530,000.

[5] Riveron has voluntarily agreed to take a reduction of 40% of the holdbacks on its approved fees, subject to Court approval. The amount listed, however, reflects the full amount currently owed as reflected don the Receivership's books and records. Accordingly, this amount may be reduced.

and expenses from the Effective Date through calendar year 2027 to be $350,000 depending on the requirements of the Case during and after the Plan approval process. This amount, however, is subject to variation depending on the actual work that may be required.

(ii) Post-Effective Date Costs

42. Based on ongoing administrative costs during the Receivership and estimates received from relevant vendors and limited course professionals, I expect the Post-Effective Date Annual Costs will be approximately $250,000, which includes the preparation of Receivership Estate final tax returns and other dissolution costs.

43. This represents a reduction from administrative costs during the Receivership to date. The savings are the result of multiple factors, including that, as of the Plan's Effective Date, I will provide any services to the Receivership Estate on a *pro bono* basis. Furthermore, there are cost savings associated with the Plan's proposed modification of the Records Disposition Order following termination of the Receivership.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed this 30th day of October, 2026, at New York, New York.

/s/ Trey Rogers
Trey Rogers

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, -v- PLATINUM MANAGEMENT (NY) LLC; PLATINUM CREDIT MANAGEMENT, L.P.; MARK NORDLICHT; DAVID LEVY; DANIEL SMALL; URI LANDESMAN; JOSEPH MANN; JOSEPH SANFILIPPO; and JEFFREY SHULSE, Defendants.	No. 16-CV-6848 (BMC)

MEMORANDUM OF LAW IN SUPPORT OF RECEIVER'S MOTION FOR AN ORDER APPROVING PLAN OF DISTRIBUTION

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Melanie L. Cyganowski, the Court-appointed Receiver ("***Receiver***") of the Receivership Entities[1] in the above-captioned Securities and Exchange Commission ("***SEC***") enforcement action ("***Case***"), by her undersigned counsel, respectfully submits this memorandum of law ("***Memorandum***") in support of her motion ("***Motion***") seeking entry of an order ("***Order***") approving her proposed plan of distribution ("***Plan***")[2] and states as follows:

PRELIMINARY STATEMENT

Since her appointment, the Receiver and her retained professionals have focused on one goal: maximizing the value of an exceedingly complex Receivership Estate. These efforts included identifying, preserving, and monetizing (to the extent possible) an extensive portfolio of Receivership Assets; resolving a significant number of allegedly secured and/or priority Claims that threatened to eclipse other recoveries; and, fixing all Investor Interests and Unsecured Claims in anticipation of a distribution. Not one of these steps was, as the Court may recall, straightforward. But they are now complete. And as a result, the Receiver is, by this Motion, seeking approval of a Plan that provides for a distribution to Investors and eligible holders of Unsecured Claims. It does so in a manner that, in the Receiver's business judgment, is both streamlined and equitable. The Plan represents a critical step in reaching the conclusion of this Receivership.

In short, the Plan establishes two asset pools—or "silos"—to make a distribution to holders of Approved Claims and Interests, depending on whether such Claims or Interests arise from the

[1] "***Receivership Entities***" refers collectively to Platinum Partners Credit Opportunities Master Fund LP ("***PPCO Master Fund***"), Platinum Partners Credit Opportunities Fund (BL) LLC ("***PPCO Blocker***"), Platinum Partners Credit Opportunities Fund International Ltd. ("***PPCO Int'l Feeder***"), Platinum Partners Credit Opportunities Fund International (A) Ltd. ("***PPCO Int'l (A) Feeder***"), Platinum Partners Credit Opportunities Fund (TE) LLC ("***PPCO TE Feeder***"), Platinum Partners Credit Opportunities Fund LLC ("***PPCO US Feeder***"), Platinum Credit Management, L.P. ("***PPCO Portfolio Manager***"), Platinum Partners Liquid Opportunity Master Fund L.P. ("***PPLO Master Fund***"), Platinum Partners Liquid Opportunity Fund (USA) LP ("***PPLO US Feeder***") and Platinum Liquid Opportunity Management (NY) LLC ("***PPLO Portfolio Manager***").

[2] Capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Plan.

"PPCO Receivership Entities" ("***PPCO***") or the "PPLO Receivership Entities" ("***PPLO***"). Within each silo, the Plan provides for a single distribution on a pro rata, pari passu basis to both Claimants holding Approved Unsecured Claims and to eligible Investors. Claimants holding Approved Unsecured Claims will receive their pro rata share based on the Approved Amount of their Unsecured Claims. For Investors, whether and to what extent an Investor is eligible for a distribution will be determined through use of the "***Rising Tide Method***," which calculates distribution entitlement based on pre-receivership deposits, and treats successful pre-receivership withdrawals/redemptions (if any) as prior distributions, reducing or negating the amount of any distribution under the Plan. Alongside this distribution, the Plan further provides for the wind-down of the Receivership Estate and, once these are completed, a procedure for seeking termination of the Receivership.

In the Receiver's informed business judgment, these Plan elements best balance fairness to Claimants and Investors with the realities of Receivership Estate.

First, the Plan's pro rata distribution by the Rising Tide Method is appropriate because cash within each of the PPCO Receivership Entity and PPLO Receivership Entity was, pre-Receivership, commingled by virtue of the funds' "pooled investment vehicle" structures. Investors put their money into an overall fund (*i.e.*, PPCO or PPLO), not particular investments made by that fund, and that money would flow through PPCO or PPLO without distinction as to source. Further, there are essentially two methods of pro rata distributions—the "***Rising Tide Method***" or the "***Net Investment Method***." Use of the Rising Tide Method, in particular, is equitable here because it prioritizes Investors who have not received any distribution on their investments instead of providing further payments to those that have already seen some return on their investments pre-Receivership.

Second, the "siloed" approach is warranted because Investors originally made investments in a specific, pooled fund—either PPCO or PPLO—and there was no commingling identified *between* the funds. The Plan therefore maintains that separateness.

Third, the way Cash was commingled in the pre-Receivership enterprise further justifies the Plan's classification and waterfall—in particular, the treatment of Claimants and Investors on a pari passu basis. Because payments would, pre-Receivership, come from one combined pool of Cash, Investors and Claimants were similarly situated. Likewise, Investors and Claimants are, because of their pari passu classification, treated similarly under the Plan, with the exception of the Restricted Funds, which were funds received by the Receivership from the SEC specifically for the purpose of assisting with the distribution of such funds to Investors.

For these reasons, as more fully set forth below, the Receiver respectfully submits that the Plan should be approved.

I. BACKGROUND

A. Case Background

The factual background of this Case has been set forth in previous filings with the Court, including the Receiver's status reports,[3] but the salient facts and background to the Plan are detailed in the contemporaneously filed *Declaration of Melanie L. Cyganowski in Support of Motion for an Order Approving Plan of Distribution* (the "***Cyganowski Declaration***") and *Declaration of Trey Rogers in Support of Motion for an Order Approving Plan of Distribution* (the "***Rogers Declaration***"). All of the foregoing is incorporated herein by reference.

[3] The Receiver relies on and incorporates herein by reference her previously filed status reports (collectively, the "***Reports***") with the Court, which are located at Dkt. Nos. 237, 288, 302, 317, 354, 407, 450, 461, 481, 495, 519, 529, 539, 544, 561, 565, 591, 621, 627, 644, 658, 665, 670, 676, 683, 696, 711, 734, 741, 746, 755, 764, 772, 777, 782, 787, and 791.

B. Plan Overview[4]

i. General Plan Structure

There are two key aspects of the Plan (i) a single distribution to Claimants and Investors (the "***Distribution***") and (ii) the wind-down of the Receivership Estate.[5]

As noted above, the Distribution will be divided across two separate distribution silos—one silo for the PPCO Receivership Entities, and another for the PPLO Receivership Entities. Claimants with Approved Claims against, and eligible Investors with Interests in, the PPCO Receivership Entities will receive a share of PPCO Receivership Assets. Likewise, Claimants with Approved Claims against, and eligible Investor with Interests in, the PPLO Receivership Entities will receive a share of PPLO Receivership Assets. Investors, and Investors alone, are also entitled to a share of the Restricted Investor Funds—a pot of funds that the SEC collected and turned over to the Receiver for distribution solely to Investors. Within each silo, Claimants and Investors are classified along a priority waterfall in accordance with the nature of their respective Claims and Interests.

The Plan's siloed structure allows for, and authorizes, a wind-down effort to begin contemporaneously with the Distribution. To facilitate that wind-down, the Plan calls for the creation of a Reserve Fund comprised of both PPCO Receivership Assets and PPLO Receivership Assets. The Cash available for the Distribution on account of Approved Unsecured Claims and Interests will be net of the amounts required, in the Receiver's discretion, to fund the Reserve Fund. In turn, the Reserve Fund will be the sole source of funding for the wind-down of the

[4] The Receiver's overview of the Plan highlights certain substantive provisions of the Plan and is not, nor is it intended to be, a complete description or a substitute of the Plan. To the extent any portion of this Memorandum may be inconsistent with the terms of the Plan, the terms of the Plan shall control.

[5] To the extent that there are significant funds deemed undeliverable or unclaimed pursuant to the terms of the Plan, the Plan provides for the possibility the Receiver may in her discretion redistribute these unclaimed funds to the other Investors and Claimants in a Supplemental Distribution prior to termination of the Receivership.

Receivership Estate. It will fund virtually all administrative expenses, including any taxes owed, from approval of the Plan through the completion of the wind-down process and termination of the Receivership—referred to under the Plan as "***Post-Effective Date Costs***." It will further be the source from which all unpaid Professional Fee Claims and Professional Fee Claim Holdbacks, whether already incurred or to be incurred after the Effective Date, through termination of the Receivership.

ii. Classification and Treatment of Claimants and Investors

The Plan sets forth five (5) classes of similarly situated Claims and Interests based on the respective Investors' or Claimants' status. Each such class is then subdivided based on whether the Claim or Interest arises from PPCO—the "A" subclasses—or PPLO—the "B" subclasses. The classes are as follows, along with an estimated recovery range:

Class 1A: PPCO Administrative Claims *Est. Recovery: 100%*	**Class 1B**: PPLO Administrative Claims *Est. Recovery: 100%*
Class 2A-1: PPCO Interests – PPCO Domestic Investor Funds **Class 2A-2**: PPCO Interests – PPCO International Investor Funds *Est. Recovery: 1-3%*	**Class 2B**: PPLO Interests *Est. Recovery: 13-15%*
Class 3A: PPCO Unsecured Claims *Est. Recovery: .5-1.5%*	**Class 3B**: PPLO Unsecured Claims *Est. Recovery: 11-12%*
Class 4A: PPCO SEC Claims *Est. Recovery: 0%*	**Class 4B**: PPLO SEC Claims *Est. Recovery: 0%*
Class 5A: PPCO Insider Claims/PPCO Insider Interests *Est. Recovery: 0%*	**Class 5B**: PPLO Insider Claims/PPLO Insider Interests *Est. Recovery: 0%*

As noted above, each PPCO-related subclass will share only in PPCO Receivership Assets, while the PPLO-related subclasses will share only in the PPLO Receivership Assets. Otherwise,

the treatment across equal priority classes in each silo is largely consistent. That treatment is summarized below by class.

a. Class 1: Administrative Claims[6]

Administrative Claims are entitled to payment in full (100%) of the Allowed Amount of such Claims after the Effective Date. Administrative Claims against the PPCO Receivership Entities (Class 1A) will be paid from the PPCO Receivership Assets; Administrative Claims against the PPLO Receivership Entities (Class 1B) will be paid from the PPLO Receivership Assets. Plan §§ 2.2.1, 2.2.2.

As set forth in the Cyganowski Declaration, ¶¶ 61, 64-66, the pool of Administrative Claims in Class 1 is comprised only of two Claims, one of which is an Administrative Claim owed from the PPLO Receivership Entities to the PPCO Receivership Entities for payment of Administrative Claims during the Receivership. That claim will be paid to the PPCO Receivership Entities and pooled with PPCO Receivership Assets prior to satisfying Claims and Interests in lower priorities. The other is a claim arising from a settlement agreement that provided that the allowed amount of the claim would be treated on par with administrative claims.

b. Classes 2 and 3: Interests and Unsecured Claims

After satisfying Claims in Class 1 and creation of the Reserve Fund (discussed further below), the pools of Available PPCO Cash and Available PPLO Cash will be fixed. *See* Plan § 1.2.5 ("Available PPCO Cash" defined); § 1.2.6 ("Available PPLO Cash" defined). It is from these assets that eligible Investors and holders of Approved Unsecured Claims will receive their shares of the Distribution. *Id.* §§ 2.2.3-2.2.7. Investors holding PPCO Investor Interests and

[6] The Receiver has caused Administrative Claims to be paid on an ongoing basis throughout the Receivership, and no Administrative Claims were submitted in connection with the related administrative bar date. Administrative Claims do not include Professional Fee Claims.

Claimants holding Approved PPCO Unsecured Claims (other than Insiders and the SEC) will share in the Available PPCO Cash, while Investors holding PPLO Investor Interests and Claimants holding Approved PPLO Unsecured Claims (other than Insiders and the SEC) will share in the Available PPLO Cash.

The share that each Investor or Claimant will receive within each silo will be determined based on the following pro rata allocation method (*see* Plan § 2.3):

First, available Cash will be allocated pro rata between all Investors and all Claimants within the silo based on (i) the aggregate value of the Investors' Net Investment Amounts and (ii) the aggregate value of all Approved Unsecured Claims.

Second, the portion of the Cash allocated to holders of Approved Unsecured Claims will then be divided and distributed pro rata among holders of Approved Unsecured Claims in satisfaction of such Claims.

Third, the portion of the Cash allocated to Investors will be pooled with either PPCO Restricted Investor Funds or PPLO Restricted Investor Funds, based on the appropriate silo, and the new aggregate total within each silo will be further divided among Investors using the Rising Tide Formula as follows.

a) Investors holding Interests in PPCO Domestic Investor Funds (Class 2A-1) or PPLO Investor Interests (Class 2B) will receive a distribution in accordance with the Rising Tide Formula in satisfaction of their Interests.

b) Investors holding PPCO Investor Interests in PPCO International Funds will receive, in the aggregate, the sum of their individual shares calculated using the Rising Tide Formula, which amount will be distributed to the Directors of the respective PPCO International Funds in satisfaction of the applicable

PPCO Investor Interests. The Directors will then determine how to distribute those funds to their Investors pursuant to (1) the existing documents in effect governing such PPCO Investor's Interest, (2) the applicable laws of the Cayman Islands, and (3) the Directors' fiduciary and contractual obligations. The sum provided to the Directors in this step will also be used to pay the wind-down expenses of the PPCO International Funds, including the payment of the fees of liquidators that are required to be retained to wind-down the funds.

Of note, because of the differences in both asset amounts and the Claimant/Investor pools within each silo, the estimated recovery ranges that result from this process differ (as reflected in the above table). For Investor classes (2A-1, 2A-2, and 2B), those differences will, as a practical matter, result in different Rising Tide Percentages between silos (the Plan provides for a PPCO Rising Tide Percentage and a PPLO Rising Tide Percentage). And with a different Rising Tide Percentage comes a different estimated recovery range for eligible Investors.[7] Likewise, for Unsecured Claim classes (3A and 3B), the different asset and Claim pools will alter the pro rata calculation.

Additionally, the recoveries for these classes are estimated within a range because the ultimate recovery is dependent upon the resolution of certain outstanding Professional Fee Claims. *See* Rogers Decl. ¶ 33.

c. Class 4: SEC Claims

The SEC has agreed to subordinate any Claim it holds against the Receivership Entities to Investors' Interests and other Claimants' Claims, including Unsecured Claims. Accordingly, only

[7] Not all Investors will recover under the Rising Tide Method. Investors are "eligible" for a distribution, and may recover within the estimated range, based on the result of the Rising Tide Formula.

after payment in *full* of (i) all Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) each Interest and Claim in Classes 1-3, will the SEC receive the remaining Available PPCO Cash or Available PPLO Cash. Plan §§ 2.2.8, 2.2.9. The estimated recovery for Class 4 is 0%.

d. Class 5: Insider Claims/Interests

Insiders that hold Approved Claims or Interests for which they have not been paid are treated as a subordinated class, after the SEC. Accordingly, only upon payment in *full* of (i) all Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) each Interest and Claim in Classes 1-4, will an Insider receive the remaining Available PPCO Cash or Available PPLO Cash, depending on which silo its Claim or Interest falls. Plan §§ 2.2.10, 2.2.11. The estimated recovery for Class 5 is 0%.

The total outstanding pool of Insider Claims and Interests is set forth in the Rogers Declaration. Rogers Decl. ¶ 32. At this time, the only Claims subject to this treatment are those that have provided their consent to subordination under a prior settlement agreement with the Receiver. Further, there is only one Insider holding an Interest subject to this treatment that (i) does not have a prior settlement with the Receiver and (ii) would otherwise be eligible for a distribution under the anticipated Rising Tide Percentage.

iii. Creation of Reserve Fund/Unclassified Claims

Upon the Plan's Effective Date, the Receive will create a Reserve Fund for the payment of (i) Professional Fee Claims and Professional Fee Claim Holdbacks and (ii) Post-Effective Date Costs. Plan § 3.4. These Claims are not otherwise classified under the Plan, and instead will be paid in the ordinary course—for Professional Fee Claims and Professional Fee Claim Holdbacks, as and if they are approved by the Court; for Post-Effective Date Costs, as they become due. *See* Plan §§ 3.3, 3.4. The amount placed in the Reserve Fund will be set based on the considerations set forth in the Cyganowski Declaration, *see* ¶¶ 92-99, and the Rogers Declaration, *see* ¶¶ 38-41.

The Receiver has taken various steps toward fixing the amount required for the Reserve Fund. As a part of this effort, to fix certain Professional Fee Claim Holdbacks that otherwise may not be fixed until termination of the Receivership, the Receiver, Otterbourg and Riveron have voluntarily agreed with the SEC to accept 60% of the outstanding Professional Fee Claim Holdbacks and waive payment of the balance.

Relatedly, under the Plan, and in a variance from the terms of the Receivership Order, the procedures for release of Professional Fee Claims and Professional Fee Claim Holdbacks are modified. First, Otterbourg's reduced Professional Fee Claim Holdback amount (60%) may be released on or shortly after the Effective Date. Otterbourg and the Receiver will otherwise continue to request future Professional Fee Claims through fee applications as required under the Receivership Order until such time as the Receivership is terminated. Plan § 3.3.2. Other Retained Professionals, including Riveron, are required to submit final fee applications within thirty (30) days of the date the Court enters an order approving this Motion, to the extent their Claims are not previously resolved by earlier order. Plan § 3.3.1. Upon later of the date of entry of such an Order or the Effective Date, the Receiver is authorized to pay the Professional Fee Claims and Professional Fee Claim Holdbacks. Despite these modifications, all Retained Professionals will still be paid pursuant to an order of this Court, either pursuant to a final fee application or otherwise.

The Reserve Fund for the foregoing Claims and costs will be comprised of Cash sourced from both the PPCO Receivership Entities and the PPLO Receivership Entities. The respective contributions from each of the PPCO Receivership Entities and the PPLO Receivership Entities will be based on the AUM Percentage, Plan § 3.4, which is the "assets under management" percentage used during the Receivership to allocate expenditures between the PPCO Receivership

Entities and the PPLO Receivership Entities. The AUM Percentage is 95% for the PPCO Receivership Assets and 5% for the PPLO Receivership Assets. *See* Rogers Decl. ¶¶ 18-20.

iv. Wind-Down

Upon the Plan's Effective Date, contemporaneously with efforts to commence the Distribution, the Receiver will, with the assistance of her professionals, begin the wind-down of the Receivership Entities. This effort will entail:

a) The abandonment of all Remaining Assets, Plan § 3.6;

b) The abandonment of all Causes of Action owned by the Receivership Entities, except for those required to enforce agreements, including settlement agreements, entered into during the Receivership or to enforce the terms of the Plan, Plan § 3.7; and

c) Dissolution of the Receivership Entities, including retaining (or causing the Directors to retain) liquidators to dissolve the PPCO International Investor Funds in accordance with applicable law, Plan § 3.8.[8]

Upon the completion of the foregoing, along with the payment of any taxes,[9] the Plan allows the Receiver to seek termination of the Receivership and discharge of her duties. Plan § 3.11.

[8] To the extent liquidators are retained for the PPCO International Investor Funds, the fees of any such liquidators shall be paid by the respective PPCO International Investor Funds' Directors in an amount consistent with the liquidators' retention agreements, from the Cash allocated to the Distribution to be made to Investors for the applicable Receivership Entities.

[9] As noted in the Cyganowski Declaration, the Plan does not include a Class for any Receivership Tax Claim on a priority basis, as no such Claim has been asserted by any taxing authority. The Receiver understands that no Receivership Tax Claim is owed. Nevertheless, to the extent any taxes are owed, such Claim will be paid as a Post-Effective Date Cost through the Reserve Fund.

II. ARGUMENT

A. Standard of Review

Courts have wide discretion in supervising equity receiverships and have the inherent power to fashion appropriate relief in connection therewith. *See SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 91 (2d Cir. 2002). With that broad authority, courts have "the power to approve a plan of distribution proposed by a federal receiver" and the distribution of receivership assets. *SEC v. Byers*, 637 F. Supp. 2d 166, 174 (S.D.N.Y. 2009), *aff'd sub nom. SEC v. Malek*, 397 F. App'x 711 (2d Cir. 2010), and *aff'd sub nom. SEC v. Orgel*, 407 F. App'x 504 (2d Cir. 2010) (citing *Credit Bancorp*, 290 F.3d at 82-83); *see also, e.g.*, *Quilling v. Trade Partners Inc.*, No. 03-CV-236, 2007 WL 107669, at *3 (W.D. Mich. Jan. 9, 2007) (broad powers to allocate priority of distributions and to "reject equitable principles of tracing, restitution, reclamation, etc. and order a pro rata distribution to treat all defrauded investors equally in proportion to their losses.").

Ultimately, a plan and its distribution procedures are required only to be fair and reasonable. *See SEC v. Wang*, 944 F.2d 80, 81 (2d Cir. 1991); *Byers*, 637 F. Supp. 2d at 174; *SEC v. Credit Bancorp, Ltd.*, No. 99-CIV-11395-RSW, 2000 WL 1752979, at *28 (S.D.N.Y. Nov. 29, 2000) *aff'd,* 290 F.3d 80 (2d Cir. 2002) ("[T]he fundamental principle governing adoption of a distribution plan is that it should be equitable and fair, with similarly-situated investors treated alike."); *see also SEC v. Wealth Mgmt. LLC*, 628 F.3d 323, 332-33 (7th Cir. 2010).

In making that determination, courts "may defer to the receiver's choices for the plan's details and should give substantial weight to the SEC's views regarding a plan's merits." *SEC v. McGinn, Smith & Co.*, No. 110CV457, 2016 WL 6459795, at *2 (N.D.N.Y. Oct. 31, 2016) (citing *SEC v. Amerindo Inv. Advisors Inc.*, No. 05-Civ-5231, 2014 WL 2112032, at *14 (S.D.N.Y. May 6, 2014)).

B. The Plan's Distribution Methods are Fair and Reasonable

i. Pro Rata Distribution

Under the prevailing Second Circuit standard, pro rata distributions are "favored" where the funds of claimants are "commingled" and the claimants are "similarly situated." *Credit Bancorp, Ltd.*, 290 F.3d at 88; *Byers*, 637 F. Supp. 2d at 176 (noting that a pro rata distribution is generally the "most fair and most favored" approach in receivership cases).

Based on an analysis of the Receivership Entities' books and records, the Receiver has determined that commingling occurred, and that Investors and Claimants were similarly situated (both among their own groups and, as discussed below, across groups). A pro rata distribution is therefore not only fair and reasonable, but necessary, as a method for making the Distribution to Investors and Claimants in this Case. Cyganowski Decl. ¶¶ 87-91.

Here, the Receivership Entities were operated as a master-feeder hedge fund structure. As explained in the Rogers Declaration, ¶¶ 7-17, Investors would invest in either the PPCO Receivership Entities or the PPLO Receivership Entities, and their contributions would flow from the respective feeder funds up to the respective master fund level without distinction as to the feeder fund source. At that point, the pooled capital within the respective master funds could be, and was, used for any purpose. This approach was inherent to the way the funds were established—as "pooled investment vehicles"—and as a result, the Investors' contributions were necessarily commingled within each fund.

The same "pooled investment" structure meant that all Investors were also similarly situated within their respective funds. When Investors made contributions, they did so as an investment in a fund, rather than in any of their fund's specific investments. By way of example, PPCO Investors were invested in the PPCO fund, not in the Abdala or Acceleration Bay assets. In turn, Investors in the Receivership Entities did not benefit in connection with any individual

investment their funds made with pooled investments, but instead shared ratably with all other Investors in their respective fund's gains and losses. Rogers Decl. ¶¶ 9-16. In that regard, Investors were all a part of the same pool—they were, in other words, similarly situated.

Moreover, not only is a pro rata distribution justified under the prevailing Second Circuit approach, the alternative to a pro rata distribution in this Case, tracing, would be impossible to conduct because of the "pooled investment vehicle" structure described above. Rogers Decl. ¶ 14. And, in any event, tracing as an alternative to a pro rata distribution is disfavored. *See Beyers*, 637 F.Supp.2d at 177 (noting that tracing has been "universally rejected by courts as inequitable" and that, even where possible, it is considered to be "difficult, time-consuming, and expensive"); *see also Malek*, 397 F. App'x at 715-16 (explaining the preference of *pro rata* to traceability).

Further, as a matter of equity, permitting tracing (or any other alternative to a pro rata distribution) would be inconsistent with the nature of the Investors' investments, which, as discussed above, were not made in connection with a specific investment, but were rather made into the fund as a whole. The ratable treatment proposed in the Plan is, in that regard, more consistent with the Receivership Entities' purported original purpose as an investment vehicle.

Accordingly, and consistent with the weight of authority, *pro rata* distributions under the Plan are appropriate.

ii. Application of the Rising Tide Method

Having concluded that pro rata distributions are fair and reasonable and best serves equity under the circumstances, the Receiver considered two of the most commonly used methods for allocating receivership assets on a pro rata basis—the Net Investment Method (also referred to as "net loss") and the Rising Tide Method—and, in her discretion, selected the latter.[10]

[10] Of note, the Plan also uses a Net Investment Method for the limited purpose of allocating Available PPCO Cash and Available PPLO Cash between Investors and Claimants within each silo. This application is a practical necessity,

Under the Rising Tide Method, the goal is to equalize all investor's recoveries, to the extent possible, by counting pre-Receivership distributions as distributions against their Receivership Claims. *See SEC v. Callahan*, 193 F. Supp. 3d 177, 198 (E.D.N.Y. 2016) ("'Under the rising tide approach, withdrawals are considered part of the distribution received by an investor and so are subtracted from the amount of the receivership assets to which he would be entitled had there been no withdrawals.'") (quoting *SEC v. Huber*, 702 F.3d 903, 905 (7th Cir. 2012)). Investors therefore recover under a Rising Tide Method until they receive a percentage return on their investment that is equal to a certain non-zero percentage return already received by other Investors—known as the "***Rising Tide Percentage.***" In other words, the aim is to bring all Investors to an equivalent minimum distribution, counting both pre- and post-Receivership Distributions against that minimum.

The Receiver has determined that the Rising Tide Method is best suited for this case precisely because of how it employs pre-Receivership returns. As she explains in her Declaration, application of the Rising Tide Method better addressed the material issue of pre-Receivership redemptions. Cyganowski Decl. ¶ 91. Namely, while many Investors made redemptions pre-Receivership, a number of Investors attempted to, but could not (the "***Unpaid Redeemers***"). Because these Unpaid Redeemers are being treated as Investors rather than Claimants under the approved Claims/Interests Verification Order, the pro rata method is needed to account for that particular harm. Use of the Rising Tide Method makes those Unpaid Redeemers more likely to recover under the Rising Tide Method. *CFTC v. Lake Shore Asset Mgmt. Ltd.*, No. 07C3598, 2010 WL 960362, at *9 (N.D. Ill. Mar. 15, 2010) ("rising tide" method approved because it prevents investors who previously withdrew funds from benefitting at the expense of other investors).

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and does not ultimately determine Investors' individual shares in the Distribution. Rather, that is done in accordance with the Net Investment Method, addressed here.

By contrast, the Receiver rejected the Net Investment Method because she deemed it insufficient to handle this issue fairly. Cyganowski Decl. ¶ 91. Under the Net Investment Method, distributions are based on the net amount that an investor lost as of date the receivership commenced. *See Callahan*, 193 F. Supp. 3d at 198 (describing net investment approach as "'any funds previously received by an investor … subtracted from the total amount invested prior to calculating the investor's *pro rata* share.'") (quoting *Lake Shore Asset Mgmt. Ltd.*, No. 07C3598, 2010 WL 960362, at *8). This would, in effect, work an advantage to those Investors who successfully redeemed prior to the Receivership, allowing them to recover twice, while others had not recovered at all. *See Lake Shore Asset Mgmt.*, No. 07C3598, 2010 WL 960362, at *10 ("[A] straight pro rata distribution of the available funds, irrespective of any pre-receivership payments received by investors, would be inequitable because it unfairly elevates investors who received pre-receivership payments over those who did not.").

For the above reasons, the Rising Tide Methodology for calculating Distributions under the Plan should be approved.

iii. Consolidation of Receivership Assets and Liabilities By "Silo"

As a general matter, a consolidation of assets among entities in receivership is justified by the existence of commingling or a "unified scheme" perpetrated across those entities. *See generally Byers*, 637 F. Supp. 2d at 177 ("[D]ue to the fungibility of money, *any* commingling is enough to warrant treating all the funds as tainted.") (citing *United States v. Garcia*, 37 F.3d 1359, 1365-66 (9th Cir. 1994)); *SEC v. Sunwest Mgmt., Inc.*, CIV. No. 09-6056-HO, 2009 WL 3245879, at *9 (D. Or. Oct. 2, 2009) (treating receivership entities as a single unit for distribution because of extensive commingling); *SEC v. AmeriFirst Funding, Inc.*, No. 3:08-CV-1188-D, 2008 WL 919546, at *4 (N.D. Tex. Mar. 13, 2008) (holding "a pooled distribution is equitable when the separate legal entities were involved in a unified scheme to defraud"). As discussed above, the

Receivership Entities commingled assets; this justifies the pooling of their Assets. But rather than pool *all* Receivership Assets, the Plan instead proposes creating two discrete pools—one for the PPCO Receivership Entities and another for the PPLO Receivership Entities. The Receiver believes this approach is fairer to Investors and Claimants because it is more consistent with the pre-Receivership operations of the respective funds.

As an initial matter, as discussed above, that Cash was commingled *within* PPCO and PPLO, but not *between* them, suggests a pre-Receivership separateness that the Plan seeks to maintain. *See* Cyganowski Decl. ¶¶ 58-60. But of equal importance here, Investors also made their investments in one fund or the other—entering either the PPCO Receivership Entity side or the PPLO Receivership Entity side. While some made investments in both, those investments were, by design and in practice, separate. And because Investors in a pooled investment vehicle like the Receivership Entities share in the gains and losses within their chosen fund, those gains and losses would, like the investments themselves, be separate. Losses in one fund, therefore, would not automatically be felt by the other fund. Yet, this is, in effect, what would occur by combining all Receivership Assets and, in turn, Investors into a single class. Investors with PPLO Interest would be made significantly worse off, while the share available for Investors holding PPCO Interests would *not* materially improve. Rogers Decl. ¶¶ 32-34. That is, PPCO Receivership Entity losses *would* be felt by Investors with PPLO Interests. Here, too, pooling assets within two separate silos therefore maintains the pre-Receivership separateness of operations. *See* Cyganowski Decl. ¶¶ 80-86.

Additionally, the use of two asset pools will provide the Receiver with greater flexibility in winding down the Receivership in an expeditious manner. Cyganowski Dec. ¶ 85. As of the date hereof, the PPLO Receivership Entities are in a position to be dissolved following the

Distribution. The PPCO Receivership Entities, however, because of additional Remaining Assets on their books, may require additional time to dissolve. If all of the Receivership Entities and their assets and liabilities were consolidated into a single pot under the Plan, then the process of winding down the PPLO Receivership Entities would take considerably more time and add to administrative costs. Cyganowski Dec. ¶¶ 85-86.

The consolidation of assets and liabilities is therefore reasonable and, in the Receiver's view, best achieves the orderly and efficient administration of the estate. *See SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986) (holding that a "primary purpose of equity receiverships is to promote orderly and efficient administration of the estate"); *SEC v. Amerindo Inv. Advisors Inc.*, No. 05-Civ-5231, 2016 WL 10821985, at *2 (S.D.N.Y. May 20, 2016) (explaining that appellate courts generally uphold reasonable procedures approved by the district court that further the orderly and efficient administration of the estate) (citing *Hardy*, 803 F.2d at 1034, 1037, 1039).

C. The Plan's Classification Scheme is Fair and Reasonable

A receiver has wide latitude to determine the classification of claims. *See Wealth Mgmt. LLC*, 628 F.3d at 333 ("To implement an effective pro rata distribution, district courts supervising receiverships have the power to 'classify claims sensibly.'") (quoting *SEC v. Enterprise Trust Co.*, 559 F.3d 649, 652 (7th Cir. 2009)). Here, the Receiver has created a classification structure that provides similar treatment to similarly situated Investors and Claimants, and prioritizes certain Investors and Claimants over others. As described below, these classification and priority choices are fair and reasonable, and an appropriate use of the Receiver's discretion to craft the Plan's class structure. *See SEC v. Morriss*, No. 12-CV-00080, 2017 WL 7805571, at *3 (E.D. Mo. June 16, 2017) (finding plan that divided claims/interests into multiple classes and grouped claimants/investors with other similarly situated parties, and provided that "Allowed Claimants within each of the Class categories will receive the same treatment" as fair and equitable); *see also,*

e.g., *CFTC v. Capitalstreet Fin., LLC*, No. 3:09cv387-RJC-DCK, 2010 WL 2572349, at *2 (W.D.N.C. June 18, 2010) (approving plan giving investors priority over creditors).

i. Pari Passu Treatment of Investors and Claimants

Under the Plan, the Receiver has elected to treat Investors and Claimants holding Unsecured Claims on a pari passu basis, rather than elevating one over the other. Specifically, eligible Investors and Claimants holding Approved Unsecured Claims will, within their respective silos, share ratable in the Available PPCO Cash or Available PPLO Cash. That pari passu treatment is justified because Investors are not only similarly situated to one another within their silo, but are also similar to their silo's Unsecured Claim holders. *Credit Bancorp*, No. 99-CIV-11395-RSW, 2000 WL 1752979, at *13 ("The fundamental principle which emerges from this case law is that any distribution should be done equitable and fairly, with similarly-situated investors or customers treated alike.").

Investors and Claimants are similarly situated because of the nature the master-feeder structure, detailed above. Because all payments came from Cash flowing through the respective master funds, any payment, whether to a creditor on a Claim or an Investor to satisfy a redemption request, would come from the same pot of commingled funds. A pari passu distribution to these groups is therefore fair and reasonable.

Moreover, any distinction in treatment would be purely a result of classification, rather than a reflection of a substantive difference in the Investors' and Claimants' relative standing. *See CFTC v. Rust Rare Coin, Inc.*, 2020 WL 4904165, at *4 (D. Utah Aug. 20, 2020) ("[T]he Receiver notes that if the unsecured creditors were placed in a class below the investors, none of the unsecured creditors would receive any recovery . . . Weighing all of these factors—the relative innocence of the unsecured creditors, the fact that the recovery is built on funds contributed by defrauded investors, and the need to help as many victims as possible—the court agrees with the

Receiver that these groups should be treated the same. Accordingly, all of the above objections are overruled."); *see also SEC v. TCA Fund Mgmt. Grp. Corp*., 2022 WL 17816956, at *5 (S.D. Fla. Dec. 2, 2022) ("[C]ourts have not hesitated to group unsecured creditors and defrauded investors together for purposes of equity receivership distribution plans.").

Ultimately, for both of the foregoing reasons, equity supports the pari passu approach taken under the Plan, and such treatment may, and should be, approved. *Byers*, 637 F. Supp. 2d at 183, 183 n.20 (approving plan treating investors and creditors with the same priority and rejecting the argument that the court lacks the authority to permit the receiver to treat unsecured creditors the same as investors).

ii. Subordination of SEC, Insider Claims and Interests

The Plan provides for the subordination of two classes—those for SEC Claims (Class 4A and Class 4B), and those for Insider's Interests and Claims (Class 5A and Class 5B). Subordination of these classes is appropriate under the circumstances and consistent with well-settled law.

Courts have the power to approve a receiver's claim determinations and priority of claims, including the power to subordinate claims. *See e.g., SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Ariz. Fuels Corp.*, 739 F.2d 455, 458 (9th Cir. 1984) ("Receivership courts have the general power to use summary procedures in allowing, disallowing, or subordinating the claims of creditors."); *see also SEC v. Basic Energy & Affil. Res.*, 273 F.3d 657, 660 (6th Cir. 2001) (approving plan that prohibited defendants from any recovery and reduced the recovery by certain employees depending on their level of involvement in the fraud).

Indeed, subordination of a claim is proper where the claimant engaged in misconduct in the fraud. *See U.S. v. Durham*, 86 F.3d at 70, 73 (5th Cir. 1996) ("Sitting in equity, the district court is a 'court of conscience.'") (quoting *Wilson v. Wall*, 73 U.S. 83 (1867)); *see also In re Christian Life Center,* 821 F. 2d 1370, 1376 (9th Cir. 1987) ("[I]t is beyond cavil that the court

could subordinate indemnity claims of officers found liable of securities violations or fraud . . . ."); *SEC v. Straightpath Venture Partners LLC*, No. 1:22-cv-03897-LAK (S.D.N.Y. Nov. 26, 2024) (approving distribution plan containing comparable subordination of classes), Dkt Nos. 408 (approval order), 305-1 (plan).

Here, the subordination of those two classes are warranted under the circumstances of this Case. First, of the three (3) persons or entities subject to subordination under the Plan, two (2) have consented—the SEC and one Insider holding an Unsecured Claim, who consented in a prior settlement that the Plan now reflects. Cyganowski Decl. ¶ 75.

While the treatment of the remaining Insider holding an Interest is not the result of a settlement, and they are otherwise likely eligible to recover under a reasonably anticipated Rising Tide Percentage, their subordination is nevertheless warranted. Placing an Insider's Interests in the other, higher priority classes would further disadvantage Investors by diluting the Investor classes. The Receiver asserts that it is eminently reasonable that those who have engaged in wrongdoing should not benefit—whether directly or indirectly through a family member or a trust created by or for such wrongdoer—from the Receivership Estate at the expense of Investors. Cyganowski Decl. ¶¶ 74-77.

The Plan's subordination of the SEC's Claim and certain Insider Claims and Interests is therefore fair, reasonable, and warranted under the circumstances.

D. Provisions Related to the Wind-Down Are Fair and Reasonable

i. Release of Professional Fee Claim Holdbacks and Revised Final Fee Schedule

As described above, the Plan provides procedures for Professional Fee Claims and Professional Fee Claim Holdbacks that differ from those that have governed in the Case to date. The provisions include, first, the release of a reduced Professional Fee Claim Holdback amount (60% of those accrued to date) for the Receiver and Otterbourg with the Distribution. This reduced

amount and timeline was agreed to with the SEC. Second, the Plan includes an expedited timeline for other Retained Professionals to file final fee applications and fix their fee-related Claims on a final basis. Under the Plan, these would be due within thirty (30) days following entry of an order approving this Motion.

These modifications are an important part of a larger effort undertaken by the Receiver to reduce and fix administrative costs to the extent possible prior to the Plan's Effective Date and, in turn, speed the execution of the Plan's Distribution. Cyganowski Decl. ¶ 97. The need for certainty surrounding costs is particularly acute with respect to Professional Fee Claims and Professional Fee Claim Holdbacks, which have accrued over several years, by various parties, and further constitute the only group of Claims that require Court a Court approval process. They are therefore challenging to readily estimate. The Receiver submits that the Plan's procedures adequately balance the need to fix these Claims to the extent possible with the requirements of Court approval. Of note, the procedures also include a consensual reduction in the Claims held by the Receiver, Otterbourg, and Riveron.

Ultimately, the Receiver submits that these procedures are fair, reasonable, and warranted.

ii. <u>Abandonment of Receivership Assets and Causes of Action</u>

Finally, the Plan's wind-down provisions, including the abandonment of the Remaining Assets and Causes of Action are justified and should be approved. The Receiver has determined that the Remaining Assets and Causes of Action are of negligible, if any, value. Cgyanowski Decl. ¶ 102. Disposing of those Receivership Assets therefore falls within her authority to dispose of assets under $3 million in value in the ordinary course, granted under the Receivership Order. Receivership Order. Dkt. No. 276, ¶¶ 28, 30.

Despite this, however, out of an abundance of caution, and so that the wind-down procedures are on adequate notice, the Receiver submits that these abandonment procedures are

necessary to effectuate the efficient wind-down of the Receivership Entities following the Distribution, and to bring this Receivership to a close. She therefore respectfully requests that those procedures be approved to the extent not already authorized.

III. CONCLUSION

For the foregoing reasons, the Receiver respectfully requests the entry of an order granting this Motion and approving the Plan.

Dated: New York, New York
October 30, 2026

OTTERBOURG P.C.

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CERTIFICATE OF COMPLIANCE

Pursuant to Rule 3(C)(1) of the Individual Practices in Civil Cases of the Honorable Brian M. Cogan and Local Civil Rule 7.1(c), the undersigned certifies that the foregoing memorandum of law contains 6,465 words, exclusive of the caption, table of contents, table of authorities, signature block, and this certificate, as counted by the word-processing program used to prepare it.

Dated: New York, New York
October 30, 2026

OTTERBOURG P.C.

By: */s/ Erik B. Weinick*
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