

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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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. :

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No. 16-CV-6848 (BMC)

THE RECEIVER’S FOURTEENTH STATUS REPORT TO THE COURT

Melanie L. Cyganowski, the duly appointed Receiver (the “Receiver”) of Platinum Credit Management, L.P., Platinum Partners Credit Opportunities Master Fund LP,¹ Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunity 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 (collectively, the “Receivership Entities,” the “Platinum Entities” or “Platinum”), by her undersigned counsel, hereby submits this Fourteenth Status Report, covering the period from October 1, 2020 through and including December 31, 2020 (the “Reporting Period”).

¹ Platinum Partners Credit Opportunities Master Fund LP and its feeder funds are collectively referred to herein as “PPCO” or “PPCO Funds” and the Platinum Partners Liquid Opportunity Funds are collectively referred to as “PPLO” or “PPLO Funds”.

This quarterly status report is being filed in accordance with the requirements of the Second Amended Order Appointing Receiver (the “Receiver Order”), entered on October 16, 2017 by the District Court for the Eastern District of New York (the “Receivership Court”). [Dkt. No. 276].

I. PRELIMINARY STATEMENT

During the Reporting Period, the Receiver and her team² (i) finalized and filed a motion for approval of procedures to resolve claims and, in accordance with such procedures, reviewed and analyzed each of the claims filed in the receivership to make determinations regarding allowance or disallowance; (ii) continued to formulate a plan of distribution and considered issues relevant to the plan, including the appropriate distribution methodology to implement; (iii) attended to matters related to an appeal from the dismissal of certain claims asserted in the “Beechwood Action”³ that were not addressed in the global settlement; (iv) worked to finalize an agreement to resolve inter-estate claims between the Receivership Entities and the joint liquidators for Platinum Partners Value Arbitrage Fund L.P. (together with its feeder funds, “PPVA” or “PPVA Funds”); (v) monitored the personal bankruptcy case of Mark Nordlicht and filed a claim and an objection to discharge therein; and (vi) marketed and sold certain remaining assets with limited value pursuant to a remnant sale process.

As previously reported, certain of the settlements that the Receiver reached during the course of the Receivership are confidential. To preserve the confidentiality of these settlements, the Receiver advised that she would not disclose and will not be disclosing details of *any*

² To assist her with her duties, the Receiver retained, with the approval of the Court (on July 21, 2017), Otterbourg P.C. (“Otterbourg”) as her legal counsel [Dkt. no. 231] and Goldin, a Teneo Company as her financial advisor [Dkt. no. 232] (“Goldin” and, together with Otterbourg, the “Receivership Team”).

³ The “Beechwood Action” refers to the litigation commenced by the Receiver in the United States District Court for the Southern District of New York, Case 1:18-cv-12018, against various defendants seeking to avoid certain liens that would adversely impact potential distributions to investors and creditors.

settlements, including the identity of the settling parties, the amounts agreed to be paid by such parties, whether such amounts are to be paid in structured payouts and over what period of time, and/or the source of any litigation-related funds received in any reporting period, unless such details are matters of public record by virtue of a motion for Court approval of such settlement or otherwise.

II. SUMMARY OF OPERATIONS OF THE RECEIVERSHIP

A. Appointment of Receiver and Duties

On December 19, 2016, the District Court entered an Order Appointing Receiver [Dkt. Nos. 6 and 16], which appointed Bart Schwartz as receiver (the “Prior Receiver”). At the time of his appointment, the Prior Receiver was serving as a monitor for the Platinum Entities.

On June 23, 2017, after six months, the Prior Receiver resigned and, upon the recommendation of the SEC, by Order dated July 6, 2017, Melanie L. Cyganowski was appointed as Receiver, effective immediately (*i.e.*, July 6, 2017), and ordered to assume all authority held by the Prior Receiver. [Dkt. No. 216].

Under the terms of the Receiver Order, the Receiver is, among other things, required to preserve the *status quo*, ascertain the extent of commingling of funds, ascertain the true financial condition of the Platinum Entities, prevent further dissipation of property and assets of those entities, prevent the encumbrance or disposal of property or assets of the Platinum Entities, preserve the books, records, and documents of the Platinum Entities, be available to respond to investors’ inquiries, protect investors’ assets, conduct an orderly wind down, including a responsible disposition of assets and an orderly and fair distribution of those assets, and determine whether one or more of the Receivership Entities should undertake bankruptcy filings.

B. Analysis and Disposition of Receivership Assets

During the Reporting Period, the Receiver continued her review of the remaining assets in the Receivership portfolio. There were only a limited number of remaining assets that the Receiver believed had any value and those assets were marketed through a remnant sale process. While there are a few assets, including Decision Diagnostics described below that are still subject to further action to monetize, as well as some jointly held assets with PPVA that may ultimately have value, at this time the disposition of assets is substantially complete.

During the current Reporting Period, the Platinum Receivership received approximately \$235,000. This amount is in addition to the approximately \$86.3 million received by the Platinum Receivership from the liquidation of various assets from the date of appointment of the Receiver. Certain parties have asserted a claim to all or part of the proceeds of such liquidated investments, most of which have been resolved pursuant to the settlement in the Beechwood Action.

C. Investigation of Pre-Receivership Activities and Litigation

During the Reporting Period, the Receivership Team addressed remaining matters in the Beechwood Action and a final review of additional potential claims. The details of any settlements, other than those that are matters of public record, will not be disclosed to preserve the confidentiality of the Receiver's confidential settlements (as discussed above).

1. The Beechwood Action

As previously reported, on July 1, 2020, the Receiver entered into two settlement agreements in connection with the Beechwood Action, both of which were approved by the Court on July 20, 2020 [Dkt. No. 538]. The details of the settlements are set forth in the Receiver's prior status report and in the motion seeking approval of the settlements.

Although the Receiver settled substantially all claims in the Beechwood Action, the Receiver's appeal of Judge Rakoff's pre-settlement decision granting summary judgment in favor of one of the defendants, defendant PBIHL, continues. During the Reporting Period, the Receiver began to prepare the necessary papers to perfect the appeal. Simultaneously, the Receiver and PBIHL agreed to participate in mediation and stipulated to extend the time to perfect the appeal, which was supposed to be on December 22, 2020. The Receivership Team prepared a mediation brief and participated in a mediation session. As a result of the mediation, the parties reached an agreement in principle. The settlement will resolve all claims between those parties.

2. Additional Review of Potential Claims

The Receiver and the Receivership Team continue to review whether additional causes of action against other parties should be asserted, including any causes of actions to recover pre- Receivership transfer of assets, claims against insiders or actions to subordinate claims. During the Reporting Period, the Receiver filed a proof of claim in the personal bankruptcy case of Nordlicht, but any recovery on such claim is highly speculative at this time. The review of certain potential claims is coming to a conclusion and it is unlikely that additional affirmative actions will be commenced, other than potentially with respect to the Decision Diagnostics asset described below. In the interim, the Receiver entered into another release agreement with a third party professional during the Reporting Period.

D. Administrative Matters

During the Reporting Period, the Receiver and the Receivership Team continued to speak with various interested parties and groups, including the joint liquidators for PPVA,⁴ the SEC

⁴ PPVA is the subject of insolvency proceedings pending in the Cayman Islands and a Chapter 15 bankruptcy proceeding in the U.S. Bankruptcy Court for the Southern District of New York.

and Platinum investors and creditors. The Receiver updates the Receiver's website with key documents, answers to frequently asked questions and status reports to investors. The website also includes links to the Beechwood Action docket.

In addition, the Receivership Team filed and responded to other applications made before this Court and in other court proceedings involving Platinum.

1. PPVA. Since the Receiver's appointment, she and the Receivership Team have kept in frequent communication with the Joint Liquidators for the PPVA Master Fund and the PPVA Feeder Fund and/or their staff to discuss issues of mutual interest. PPVA and PPCO have each analyzed and discussed potential claims against the estate of the other stemming from pre-Receivership transactions. Upon the Receiver's appointment, the Receiver and the Joint Liquidators agreed to hold the resolution of any such purported claims in abeyance during the cases. During the second half of 2020, in connection with efforts to wind-down the case, the Receiver engaged in discussions with the Joint Liquidators of PPVA regarding a resolution of such purported claims and any remaining mutual interests, including their joint interest in interest is Agera Energy LLC and Agera Holdings, LLC (collectively, "Agera") and a tentative resolution was reached, subject to documentation.⁵

During the Reporting Period, the Receivership Team continued to review and revise a proposed settlement agreement to resolve all issues between PPVA and the Platinum Entities, including claims with respect to PGS and communicated with the joint liquidators concerning the status of their review. The Receiver believes that the resolution of all issues with PPVA is in the

⁵ Agera is a retail energy service company. In June 2016, prior to the receivership, Principal Growth Strategy, LLC ("PGS"), which is owned 55% by PPVA and 45% by PPCO, sold a portion of its interests in Agera to certain entities affiliated and/or associated with Beechwood Re Investments LLC. Pursuant to their respective interests in PGS, both PPVA and PPCO agreed that PGS would pursue certain claims and causes of action relating to its ownership of a certain promissory note convertible into 95% of the common equity of Agera's subsidiary, energy reseller Agera Energy. In connection with such agreement, a complaint was filed in the Court of Chancery of the State of Delaware on June 7, 2019 against numerous defendants, including AGH Parent LLC, SHIP and CNO.

best interest of the Receivership as it will avoid additional litigation and enable the Receiver to put forth a plan of distribution.

2. Nordlicht Bankruptcy Case. Nordlicht filed a Chapter 7 bankruptcy petition on June 29, 2020 in the United States Bankruptcy Court for the Southern District of New York. Case No. 20-22782-rdd. The Receiver has been monitoring the bankruptcy case, including participating in the continued 341 meetings of creditors and in court hearings, as well as communicating with one of the largest creditors in the Nordlicht case, Richard Stadtmauer, who also has filed a significant claim against the Receivership Entities. During the Reporting Period, the Receiver filed a proof of claim on behalf of PPCO in the Nordlicht bankruptcy case, asserting a claim in the amount of not less than \$219 million. The claim is subject to review and objection by the Chapter 7 Trustee. It is uncertain, even if allowed in whole or in part, what if any recovery may be available from the Nordlicht personal bankruptcy, which currently has extensive claims filed against it and limited assets. The Receiver continues to periodically engage in discussions with the Chapter 7 Trustee regarding the case and claims filed by each against the other's estate. Additionally, the Receiver filed a complaint in the Nordlicht bankruptcy case objecting to the discharge of Nordlicht. The Receivership team continues to engage in discussions with Nordlicht and his counsel regarding the discharge and the claims filed by Nordlicht against the Receivership Entities.

3. Website and Investor Communications. The receivership retained Epic to create and maintain the Receiver's website (www.PlatinumReceivership.com). This website provides investors and other interested parties with, among other things, periodic status reports, access to court documents and answers to frequently asked questions. The Receiver revises the website as necessary to update the "Frequently Asked Questions" section and to add "key

documents.” The website allows interested parties to sign up to receive daily notices whenever there are new filings on the Receivership docket. The Receiver and the Receivership Team have attempted to respond to investor inquiries and continue to regularly respond and react to inquiries and requests for information.

4. **Criminal Trial.** Following the criminal trial of Mark Nordlicht, David Levy and Joseph SanFilippo, the jury returned a verdict convicting Nordlicht and Levy of defrauding bondholders in portfolio company Black Elk Offshore Operations LLC, but acquitting each of them on the remaining charges. SanFilippo was acquitted on all counts with which he was charged. The Court thereafter overturned the jury verdict with respect to Levy and ordered a new trial with respect to Nordlicht. The Department of Justice has appealed those decisions, and in the interim, two additional criminal trials have been delayed. The Receivership team has reviewed the transcripts from the appellate argument and continues to monitor the appellate process.

5. **SEC Meetings.** The Receiver also communicated from time to time with the SEC staff to keep them apprised of ongoing matters as to which SEC input is appropriate and to alert them to certain filings by the Receiver. The Receiver and the Receivership Team also had periodic communications with SEC personnel about pending matters before the Court for which SEC input was appropriate.

6. **Receivership Estate Oversight.** Professional time during the Reporting Period was also devoted to the general oversight of the Platinum Entities and the estate. Conferences with the Receiver and members of the Receivership Team, via conference call or videoconference, occurred on a regular basis to facilitate the exchange of relevant information. The Receivership Team met with the Receiver regularly to discuss any ongoing asset disposition,

litigation, claims, the plan of distribution and other administrative matters, and reviewed items for discussion in advance of the meetings. The Receiver maintained direct oversight over all legal and financial-related work being done by her Receivership Team. Otterbourg attorneys assisted the Receiver, along with assistance from Platinum's CFO and Goldin, in analyzing budget, cash management and other administrative issues of the Receivership estate.

III. CASH, EXPENSES AND UNENCUMBERED ASSETS

A schedule summarizing cash receipts and disbursements, as well as cash on hand for the Reporting Period, is set forth in the Schedule of Receipts and Disbursements attached hereto as **Exhibit A**.

As of December 31, 2020, the Receivership Entities had approximately \$23.2 million in funds. Certain parties have claimed an interest in certain sold assets and have asserted claims to a portion of the sale proceeds of such assets (as opposed to a general claim against the Receivership Entities). Other parties have presented documentation which purportedly grant them security interests in all or certain of Platinum's assets. These secured claims were challenged and have been substantially resolved pursuant to settlements in the Beechwood Action.

Cash disbursements during the Reporting Period totaled approximately \$1.8 million. This amount consisted primarily of (i) \$1,640,648 in professional expenses and (ii) \$189,657 in business asset expenses (payroll and related expenses paid to Platinum employees, as well as office rent).

It is estimated that, as of December 31, 2020, accrued and unpaid administrative expenses amount to approximately \$4.6 million. This amount includes the estimate of fees and expenses that have been incurred by the Receiver, Otterbourg and Goldin during the Reporting Period and that will be requested in future applications, holdbacks for prior applications of the Receiver,

Otterbourg and Goldin and holdbacks to the Prior Receiver's counsel (Cooley) with respect to its interim fee application. In addition to these unpaid administrative expenses, the Receiver paid remaining in-house Platinum staff and other operating expenses during the Reporting Period.

Cash receipts during the Reporting Period totaled \$235,053. This amount consists of proceeds from the sales of remnant assets, the Cleveland Mining asset, interest and dividends and payments from Schafer & Weiner pursuant to a previously reached settlement.

IV. RECEIVERSHIP PROPERTY

As of December 31, 2020, the primary assets of the estate ("Receivership Property") consisted of the following:

- (i) Cash and cash equivalents of approximately \$23.2 million;
- (ii) Remaining stock and royalty interests, litigation financing and other miscellaneous investments; and
- (iii) Potential litigation claims.

A list of Receivership Property – namely, each asset of the PPCO and PPLO entities – is attached hereto as **Exhibit B**.⁶

The review of the non-litigation assets in the Receivership's asset portfolio is substantially complete. The assets that the Receiver believes could be liquidated have been and a limited number of remnant assets were marketed during the Reporting Period and all but one of the sales resulting from such marketing efforts has now closed, with the sale of the final asset expected to close this quarter. There is currently one asset, the Decision Diagnostics investment, that has potential value and the Receiver anticipates taking additional action to enforce her rights with respect to this asset. There are a few shared assets with PPVA that may potentially realize

⁶ The Receivership Property List has been updated to reflect realizations in the current quarter, as well as, corporate actions or events that resulted in a divestment or cancellation of the Funds' interest in an investment.

value and the Receiver continues to monitor such assets and communicate with the PPVA joint liquidators.

Below is an overview of certain of non-litigation assets (although the assets may be subject to litigation) in which the Receiver and the Receivership Team have focused on during the Reporting Period or that have been monetized during the Reporting Period. The below summaries include a brief description of the nature of the asset, work performed, and status during the Reporting Period.

1. **Cleveland Mining** – refers to Cleveland Mining Company Limited (“Cleveland Mining”), a publicly listed company located in Australia, and its subsidiary Cleveland Iron Holdings Pty Ltd. (“Iron Holdings”). PPCO and Platinum Long Term Growth VII LLC were owed approximately \$15.6 million, which was secured by a first priority security interest in all of Cleveland Mining’s and Iron Holdings’ assets. PPCO also held approximately 29.3 million shares of Cleveland Mining and approximately 50% of the equity of Iron Holdings.

Cleveland Mining was placed into a liquidation proceeding in Australia. PPCO filed a proof of debt form to register its claim, and worked with the Australian liquidators and the Receiver’s local counsel regarding the sale of the publicly-listed corporate shell and an allocation of the proceeds between the liquidators and PPCO. As previously reported, the liquidators found a purchaser for the shell company and pursuant to an amended liquidation plan, in consideration for releasing its security, PPCO was allocated a net amount of \$100,375.97. A portion of the distribution was made during the third quarter of 2020 and the final payment was received during the Reporting Period. PPCO also received a modest distribution of new equity, the amount and value of which is not yet known and may have no or limited value.

2. **Decision Diagnostics** – refers to Decision Diagnostics Corp. (“Decision Diagnostics”), a company that describes itself on its website as “a leading manufacturer of low cost home testing devices and test strips for use with legacy meters.” Despite that description, Decision Diagnostics announced in March that it had developed a COVID-19 test, causing its publicly-traded stock to jump in price and the Securities and Exchange Commission to institute a suspension in trading. On December 17, 2020, the United States Government unsealed an indictment of Decision Diagnostic’s CEO, Keith Berman, for securities and other fraud in connection with Decision Diagnostic’s purported COVID-19 testing capabilities. That same day, the SEC commenced a civil enforcement action against Decision Diagnostics and Berman related to the same conduct. Decision Diagnostic’s stock price is now trading at or near its pre-COVID-19 level.

Alpha Credit Resources LLC (“Alpha Credit”), a wholly-owned subsidiary of PPCO, holds certain common and preferred shares, convertible into common shares, in Decision Diagnostics. According to certain of Decision Diagnostics’ financial statements, Decision Diagnostics purported to cancel certain of Alpha Credit’s shares in Decision Diagnostics. Decision Diagnostics has also taken active steps to prevent the Receiver from liquidating Alpha Credit’s shares, by, among other things, refusing to remove a restrictive legend from Alpha Credit’s shares in Decision Diagnostics and to convert Alpha Credit’s preferred shares in Decision Diagnostics into common shares. The Receiver believes that Decision Diagnostics’ actions in purporting to cancel, refusing to remove the restrictive legend from, and refusing to convert Alpha Credit’s shares are unjustified, constitute a contempt of the Receiver Order and violate applicable law.

Decision Diagnostics has refused the Receiver's demand to restore, recognize and convert, as applicable, Alpha Credit's shares. Consequently, the Receivership Team analyzed the documents by which Alpha Credit received the shares in Decision Diagnostics, performed legal research regarding the purported cancellation of certain of Alpha Credit's shares by Decision Diagnostics and other actions designed to prevent the Receiver from monetizing the Receivership's shares. During the Reporting Period, the Receiver prepared pleadings seeking to enforce her rights and, unless circumstances change, expects to initiate a proceeding in the very near term.

3. Remnant Sale. Following a review of the remaining assets in the portfolio, the Receiver and the Receivership Team identified a limited number of assets that they believed may have value, albeit limited, and sought to market the assets through a remnant sale process. Ultimately, eight (8) assets were identified and marketed: (i) warrants in Bang Holdings Corporation; (ii) stock in Echo Therapeutics, Inc.; (iii) limited partner interests in Grey K Environmental Fund II LP; (iv) participation interest in a loan to Nico Steel Holdings Limited that is collateralized by stock in the company;⁷ (v) stock in Nordaq Energy; (vi) an assignment of proceeds of a loan in the Pro Players loan portfolio; (vi) stock in Star Phoenix Group Ltd.; and (vii) rights to a litigation funding loan made to Total Asset Recovery Services, LLC that is dependent upon the outcome of the litigation.

The marketing materials were provided to nine (9) companies that are known to purchase "remnant" assets and a data room was established. During the Reporting Period, the Receiver received offers on all of the assets that were marketed. There were four (4) different purchasers, with one purchaser acquiring four (4) of the assets. All, but one of the sales has now closed and

⁷ An offer was received and accepted for Nico Steel prior to the launch of the remnant sale "teaser," but for the purposes of this report is being considered as part of the remnant sale assets.

the final sale is expected to occur this quarter. During the Reporting Period, the Receiver received approximately \$37,000 with respect to the remnant assets. One sale closed during the current quarter and another is expected to also close this quarter. Accordingly, a small additional amount of receipts from the remnant sale will be reflected in the next status report.

V. LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY THE ESTATE/INVESTIGATION OF TRANSACTIONS

The Receiver and the Receivership Team have analyzed other pre-Receivership activities, including transfers made by PPCO and PPLO to other entities and individuals, and the professional services provided by, among others, valuation agents, fund administrators, auditors and legal advisors, to determine if any additional causes of action exist that, on a cost-benefit basis, warrant the commencement of litigation. The Receiver has concluded that no such additional litigation is warranted. Where mutual releases are warranted, the Receiver has sought and obtained such releases. The Receiver, however, continues to evaluate the claims of insiders of the Platinum Entities and is engaging in conversations with certain of the insiders regarding the allowance or disallowance of their claims.

VI. LIABILITIES OF THE RECEIVERSHIP ESTATE

Pursuant to Paragraph 47 of the Receiver Order, below please find a description of the Receivership Estate's potential liabilities. Certain liabilities described herein, particularly those pertaining to creditor claims, are uncertain, and will remain as such until the Receivership Team concludes its claims analysis and forensic investigative processes.

A. Creditors. The creditor-related information presented below is based on prior management's books and records, which are as of December 19, 2016, the date Platinum entered receivership. The Receivership Team has been testing the veracity of these numbers and the underlying liability as part of its ongoing forensic investigative and upcoming claims analysis

processes. The validity and amount of claims may differ materially from the values reported by prior management.

- PPCO lenders: PPCO owed approximately \$69.1 million in principal (not including interest) to certain lenders. As a result of the settlement in the Beechwood Action, almost all of this debt has been eliminated.
- PPCO unpaid redemptions: 28.2 million in unpaid redemption requests made by 21 PPCO investors.
- PPLO unpaid redemptions: \$6.5 million in unpaid redemption requests made by (3) PPLO investors.
- PPCO and PPLO outstanding payables: PPCO and PPLO had \$2.7 million of outstanding payables attributable to 23 vendors.⁸
- Additional claims were filed through the claims process, including claims of former employees of Platinum. Certain of these claims may be allowed and certain claims the Receiver will disallow. The total amount of allowed claims will not be known until the claims reconciliation process has concluded.

B. Accrued Administrative Expenses. As of December 31, 2020, accrued and unpaid administrative expenses amounted to approximately \$4.6 million. These administrative expenses primarily consist of accrued and unpaid professional fees. In addition to these unpaid administrative expenses, the Receivership Estate has budgeted approximately \$80,000 per month to pay the remaining in-house Platinum staff (the CFO and information technology consultant) and to cover other operating expenses, such as office rent.

⁸ This amount reflects PPCO's books and records, but may be revised based upon the review of the filed pre- Receivership general unsecured claims.

C. **Disbursements to Preserve the Value of Certain Investments.** No significant expenses were incurred by the Platinum Entities to maintain any of the remaining portfolio investments. No significant expenses, other than overhead expenses and the professional fees of the Receivership Team, are expected going forward.

D. **Investors.** The Receiver currently believes that there are 286 known investors in the Platinum Entities. Platinum's books and records reflect that unaffiliated investor claims total at least \$337.1 million, including claims for unpaid redemptions by unaffiliated investors totaling at least \$34.5 million, and that affiliated investor claims currently total at least \$19.7 million after taking into account amounts settled in the Beechwood Action. After conferring with the SEC, at this time, to protect the privacy of such investors, the Receiver is not filing with this Status Report a list of the names of each investor and the amount of such investor's net cash investment. Pursuant to the approved claims reconciliation process, investors will be notified of the total investments and distributions made to the Platinum entities as reflected in Platinum's books and records. The methodology for calculating an investor's claim and the distribution methodology will be set forth in the proposed plan of distribution to be filed.

VII. CLAIMS ANALYSIS AND PLAN OF DISTRIBUTION

During the Reporting Period, the Receivership Team's primary focus was on analyzing claims and preparing a plan of distribution and related documents. In excess of 300 claims were filed prior to the applicable bar date. Some of these claims may be duplicate claims and some may be asserted against non-Receivership Entities. Parties holding investor claims, claims for unpaid redemptions and administrative claims were not required to file proofs of claim. To facilitate the objection process, during the Reporting Period, the Receiver filed a motion seeking approval of procedures to reconcile claims and verify the investment and withdrawal amounts

with respect to the interests held by investors (the “Claims Procedures Motion”). The Court entered an Order approving the Claims Procedures Motion on December 1, 2020 [Dkt. No. 554].

During the Reporting Period, Platinum’s CFO and the Receivership Team began an extensive review of each of the filed claims, analyzing the documents provided in support of each claim, comparing the claims to Platinum’s books and researching legal issues when necessary. The Receiver is nearing the completion of her review of the claims and has had preliminary discussions with certain of the claimants prior to filing her report. The Receiver will be filing a notice of her determinations with respect to each of the claims and claimants will have an opportunity to respond, if necessary in accordance with the procedures provided for by the Claims Procedures Order.

By the Claims Procedures Motion the Receiver only sought the Court’s approval of the Receiver’s proposed procedures for finalizing the reconciliation and verification of claims and interests and did not seek approval of the validity, amount, classification, or distribution methodology on account of any claims against, or interests in, any of the Receivership Entities. Rather, the Receiver will be filing a separate motion with the Court to approve a plan for making distributions to claimants and investors, including, but not limited to, the classification of claims and interests, and the distribution methodology she will seek to employ.

Upon the Court’s approval of a plan of distribution, and the verification of claims and interests, the Receiver will be in a position to begin making distributions. The Receiver cannot at this time state what distributions will ultimately be to creditors and investors. The Receiver and the Receivership Team have been working diligently to make decisions regarding the structure of a plan of distribution, classification of claims and interests, and distribution methodology. During the Reporting Period, the Receivership Team has been preparing the

necessary documents for approval of the Receiver's proposed plan of distribution and will be filing it with the Court in the coming months.

VIII. RECOMMENDATIONS FOR CONTINUATION OR DISCONTINUATION OF RECEIVERSHIP

As during prior Reporting Periods, the Receiver believes that continuation of the receivership is in the best interests of the creditors of and investors in the Platinum Entities. While the Platinum Entities could continue to be liquidated in a bankruptcy proceeding, for the reasons stated in the Receiver's previous Status Reports and in the Receiver's Response to Minute Order [Dkt. Nos. 516], the Receiver continues to believe that winding down the case, reviewing claims and seeking approval of a plan of distribution is in the best interest of creditors and investors.

A more detailed explanation and reasoning for why the Receiver believes that, at this time, the interests of all stakeholders would be best served by continuing to administer the Receivership outside of bankruptcy is set forth in the Receiver's Response to Minute Order. On January 22, 2020, the Court issued an Order on the docket, pursuant to which the Court found that compelling the Receiver to file a bankruptcy petition at that point would not be in the best interest of all parties. The Receiver believes the Court's finding is particularly applicable at this time as the Receiver is in the midst of her claim review and formulation of a plan of distribution.

IX. CONCLUSION

The Receiver is attending to a couple of remaining assets, such as Decision Diagnostics and a few shared assets with PPVA. The Receiver, however, does not anticipate any further significant recoveries on account of the portfolio assets in the near term. The Receivership is now in its end stages with the focus on the analysis and reconciliation of claims and the

preparation of a plan of distribution of assets to creditors and investors to present to the court for approval.

Dated: January 20, 2021

Otterbourg P.C.

By: /s/ Adam C. Silverstein

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On Behalf of Melanie L. Cyganowski, as Receiver

EXHIBIT A

PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND LP AND AFFILIATED ENTITIES**Schedule of Receipts and Disbursements**

	Period from 10/1/2020 to 12/31/2020			Cumulative Total from 7/7/2017 to 12/31/2020		
	PPCO	PPLO	Total	PPCO	PPLO	Total
Cash (Beginning of Period)	\$ 21,440,973	\$ 3,370,164	\$ 24,811,136	\$ 7,788,872	\$ 1,617,492	\$ 9,406,363
Receipts						
Business Income	-	-	-	-	-	-
Cash and Securities	-	-	-	-	-	-
Interest/Dividend Income	5,013	-	5,013	95,487	52,466	147,954
Asset Sales and Third-Party Litigations Proceeds	122,269	107,771	230,039	84,422,335	1,818,681	86,241,016
Other Receipts	-	-	-	801,896	3,294	805,190
Total Receipts	\$ 127,282	\$ 107,771	\$ 235,053	\$ 85,319,718	\$ 1,874,441	\$ 87,194,160
Disbursements						
Disbursements to Investors/Claimants	-	-	-	(17,874,754)	-	(17,874,754)
Disbursements for Receivership Operations	-	-	-	-	-	-
Disbursements to Receiver or Other Professionals	(1,640,648)	-	(1,640,648)	(26,954,328)	(2,575)	(26,956,903)
Business Asset Expenses	(189,642)	(15)	(189,657)	(6,567,805)	(411)	(6,568,216)
Personal Asset Expenses	-	-	-	-	-	-
Investment Expenses	-	-	-	(19,692,757)	-	(19,692,757)
Third-Party Litigation Expenses	-	-	-	-	-	-
Tax Administrator Fees and Bonds	-	(8,011)	(8,011)	(114,314)	(19,039)	(133,354)
Federal and State Tax Payments	-	-	-	-	-	-
Disbursements for Distribution Expenses Paid by the Fund	-	-	-	(2,166,667)	-	(2,166,667)
Disbursements to Court/Other	-	-	-	-	-	-
Total Disbursements	\$ (1,830,291)	\$ (8,026)	\$ (1,838,317)	\$ (73,370,626)	\$ (22,025)	\$ (73,392,651)
Cash (End of Period)	\$ 19,737,965	\$ 3,469,908	\$ 23,207,872	\$ 19,737,965	\$ 3,469,908	\$ 23,207,872

EXHIBIT B

Receivership Property List

PPCO Assets

Asset Name	Asset Type
1) Abdala Tailings Project	Royalty Stream
2) Acceleration Bay	Back-end proceeds from litigation
3) Activision TV, Inc.	Patent Portfolio
4) Agera Energy LLC	Preferred Stock
5) Carbon Credits	Participations in PPVA deals
6) Celsius Resources Ltd	Common Stock
7) China Horizon Investment Group Ltd.	Loan Receivable
8) Claus Shelling Family Trust	Life Settlements Portfolio
9) Credit Card Receivables Portfolio	Loan Receivable
10) Decision Diagnostics Corp.	Preferred Stock
11) Environmental Service Professionals, Inc.	Common Stock
12) Golden Gate Oil LLC	Notes Receivable
13) Grey K Environmental Fund II, L.P.	Investment in Closed-End Fund
14) Khorrami Pollard & Abir, LLP	Loan Receivable
15) Millennium Healthcare, Inc.	Common Stock
16) MMP Resources Limited (f/k/a Sino Construction)	Common Stock
17) Montsant Partners LLC	Loan Receivable
18) Nisayon International Inc.	Loan Receivable
19) Over Everything LLC	1) Loan Receivable 2) Common Stock
20) Urogen Pharmaceuticals, Inc.	1) Note Receivable 2) Preferred Stock
21) Xcell Energy Inc.	Loan Receivable
22) Yellow River	Common Stock

Receivership Property List

PPLO Assets

Company Name	Asset Description
1) Alcyone Resources Limited	1) Common Stock 2) Note Receivable
2) Black Elk Energy LLC	Note Receivable
3) China Cablecom Holdings Ltd.	1) Common Stock 2) Preferred Stock
4) Misung Polytech	Loan Receivable
5) Ochre Group Holdings Limited	Common Stock
6) Wexford Petroleum Corporation	Common Stock

Receivership Property List

Jointly Held PPCO / PPLO Assets

Company Name	Asset Description
1) Platinum Partners Value Arbitrage Fund	Loan Receivable