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

Contents

I. PRELIMINARY STATEMENT 1

II. GENERAL BACKGROUND 3

A. The Receivership Entities 3

B. Commencement of this Case and Related Criminal Actions 4

C. Appointment of Receiver and Receivership Order 5

D. Immediate Steps to Control the Receivership Estate 8

III. ANALYSIS AND DISPOSITION OF RECEIVERSHIP ASSETS 9

A. Review of Assets 9

B. Disposition and Current Status of Receivership Assets 10

IV. EXPENSES AND LIABILITIES OF THE RECEIVERSHIP ESTATE 11

A. Secured Claims 11

B. Administrative Expenses 12

C. Unsecured Claims Filed Against the Receivership Entities 12

D. Investor Interests 16

V. PLAN OVERVIEW 17

A. General Overview of the Plan 17

B. Distribution 18

C. Wind-Down and Termination of the Receivership 29

VI. CONCLUSION 31

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