

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE COMMISSION,	:
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Plaintiff,	:
	:
-v-	:
	No. 1:22-cv-03897-LAK
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STRAIGHTPATH VENTURE PARTNERS LLC,	:
STRAIGHTPATH MANAGEMENT LLC,	:
BRIAN K. MARTINSEN,	:
MICHAEL A. CASTILLERO,	:
FRANCINE A. LANAIA, and	:
ERIC D. LACHOW,	:
	:
Defendants.	:
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THE RECEIVER’S THIRD QUARTERLY STATUS REPORT TO THE COURT

Melanie L. Cyganowski, the receiver (the “*Receiver*”) for StraightPath Venture Partners LLC (the “*SP Fund Manager*” or “*SPVP*”), StraightPath Management LLC (the “*SP Advisor*”), SP Ventures Fund LLC (“*SPVF 1*”), SP Ventures Fund 2 LLC (“*SPVF 2*”), SP Ventures Fund 3 LLC (“*SPVF 3*”), SP Ventures Fund 4 LLC (“*SPVF 4*”), SP Ventures Fund 5 LLC (“*SPVF 5*”), SP Ventures Fund 6 LLC (“*SPVF 6*”), SP Ventures Fund 7 LLC (“*SPVF 7*”), SP Ventures Fund 8 LLC (“*SPVF 8*”), SP Ventures Fund 9 LLC (“*SPVF 9*” and collectively, the “*SP Funds*” and together with the SP Fund Manager and the SP Advisor, the “*Receivership Entities*” or “*StraightPath*”), by her undersigned counsel, hereby submits this Third Quarterly Status Report, covering the period from October 1, 2022, through and including December 31, 2022 (the “*Reporting Period*”), as required by the Consent Order Appointing Receiver [Dkt. No. 56] (the

“**Receivership Order**”),¹ entered on June 14, 2022, which appointed the Receiver for the estate of the Receivership Entities (the “**Receivership Estate**” or “**Receivership**”).²

I. PRELIMINARY STATEMENT

During and following the Reporting Period, the Receiver, with the assistance of her advisors (collectively, the “**Receivership Team**”)³ has taken the following steps, among other things:

- (i) analyzed (1) whether the assets of the Receivership Entities were commingled (“**Commingling**”), and if so, to what extent; and (2) whether the number of shares (“**Shares**”)⁴ StraightPath acquired in a specific private company (“**Pre-IPO Company**”) is less than (a “**Shortfall**”), or greater than (a “**Surplus**”), the aggregate number of Shares to which StraightPath advised investors their contributions had been applied;
- (ii) prepared the Receiver’s *Interim Status Report Concerning Preliminary Findings on Commingling and Share Shortfall* [Dkt No. 144] (the “**Interim Report**”), which was filed on January 6, 2023, in which the Receiver reported that (1) investors’ funds were

¹ Capitalized terms used but not defined herein shall have the same meanings ascribed in the Receivership Order.

² The Receiver already reported on a portion of her activities during the Reporting Period in her Second Quarterly Report to the Court [Dkt. No. 110], dated October 31, 2022. Given that this report is being filed after the conclusion of the Reporting Period, this report will include descriptions by the Receiver of activities that occurred both during and after the Reporting Period.

³ The Receivership Team includes Otterbourg P.C. (“**Otterbourg**”) as the Receiver’s legal counsel, Stout Risius Ross, LLC (“**Stout**”) as the Receiver’s financial advisor, Stretto, Inc. (“**Stretto**”) as her claims and noticing agent, and Berkeley Research Group, LLC (“**BRG**”) as her tax advisor.

⁴ Although this Report generally refers to “Shares” in Pre-IPO Companies, the Receivership Entities’ interests in Pre-IPO Companies are not necessarily actual shares of stock in Pre-IPO Companies. As described below and in prior Reports filed by the Receiver, StraightPath purchased Pre-IPO interests using various methods and the interests acquired are varied, including but not limited to: (i) interests in special purpose vehicles (“**SPVs**”), which are non-StraightPath entities controlled by third-parties that invested in Pre-IPO Companies; (ii) forward contracts; (iii) economic interest agreements; and (iv) direct shares. Solely for convenience, this Report refers to “Shares” to include all such interests acquired by the Receivership Entities.

- commingled; and (2) a Share Shortfall exists across certain Pre-IPO Companies, while a Surplus of Shares exists for certain other Pre-IPO Companies;
- (iii) took steps to take inventory and control of the Receivership Entities' ownership of Pre-IPO Shares and prepared to take appropriate action as may be required in the event that any of the Pre-IPO Companies in which StraightPath invested "goes public";
 - (iv) continued to review the Receivership Entities' books and records, which has resulted in identification of several accounts, including an account that held a substantial amount of securities, but had not been disclosed by Brian K. Martinsen, Michael A. Castellero, Francine A. Lanaia, and Eric D. Lachow (collectively, the "***Individual Defendants***"), notwithstanding the provisions of the Receivership Order;
 - (v) communicated with counsel for the Individual Defendants⁵ regarding various matters, related to, among other things, the turnover of books and records to the Receiver and the Individual Defendants' assertions of privilege;
 - (vi) responded to two subpoenas issued to SP Fund Manager by the U.S. Attorney's Office for the Southern District of New York (the "***OUSA***");
 - (vii) prepared a response to certain of the Individual Defendants' objection to the OUSA's Application to Stay [Dkt. No. 101] (the "***Stay Application***"), which sought to stay discovery in the above-captioned case for the purpose of avoiding prejudice to an ongoing criminal investigation being conducted in the Southern District of New York (the "***Criminal Investigation***");

⁵ The law firm of Nelson Mullins Scarborough & Riley LLP ("***Nelson Mullins***") appeared as counsel of record for each of the Individual Defendants. On October 18, 2022, Nelson Mullins filed a letter with the Court (the "***Oct. 18 Letter***"), stating that Eric D. Lachow ("***Mr. Lachow***") is in the process of looking for separate counsel [Dkt. No. 103]. While the Receiver was advised of the name of Mr. Lachow's counsel in connection with the Criminal Investigation (defined below), it is not clear to the Receiver whether Mr. Lachow has retained new counsel or is continuing to look for separate counsel in this matter. Since the Oct. 18 Letter, Nelson Mullins has advised that Mr. Lachow has not taken a position on several issues before the Court [See Dkt. Nos. 136, n.1., 146, n.1].

- (viii) communicated with investors and purported creditors of the Receivership Entities;
- (ix) prepared and filed *The Receiver's Second Quarterly Status Report To The Court* [Dkt. No. 110] (the “***Second Quarterly Report***”);
- (x) held a virtual Town Hall on November 14, 2022 (the “***Town Hall***”);
- (xi) continued to take steps towards implementation of a claims process; and
- (xii) analyzed issues regarding a plan of distribution (a “***Plan***”).

All of the foregoing tasks are necessary for the Receiver to complete her primary objective – implementation of a Plan to distribute value to investors and creditors – and she is moving as efficiently as possible to complete these tasks.

II. SUMMARY OF OPERATIONS OF THE RECEIVERSHIP

A. Forensic Analysis

During the Reporting Period, the Receiver dedicated resources to the analysis of the pre-Receivership financial affairs necessary to maximize value for investors. As explained in the Interim Report, in order to propose a Plan that treats all investors equitably, the Receiver must first determine if (i) there was Commingling, and if so, to what extent; and (ii) a Shortfall or a Surplus exists relative to the Shares held in any of the Pre-IPO Companies in which StraightPath invested.

In an effort to reduce the time and expense of understanding the Receivership Entities’ books and records in connection with, among other things, the Commingling and Shortfall analyses, the Receivership Team sought to interview the Individual Defendants. Specifically, on October 13, 2022, the Receiver requested that one or more of the Individual Defendants, with their counsel, meet with members of the Receiver’s team to informally (i.e., not under oath) answer certain questions regarding the Receivership Entities’ financial affairs. The Individual Defendants refused to appear, informing the Receiver that given the Criminal Investigation by the OUSA, the

Individual Defendants would not meet with the Receiver's team even on an informal basis. The Receiver believes that had the Individual Defendants met with members of the Receivership Team, the Receiver would have been able to gain substantial institutional knowledge regarding the Receivership Entities. Instead, the Receivership Team has been required to undertake its work without communicating directly with the Individual Defendants, including as described below.

During the Reporting Period, this work included Stout's forensic analysis (the "*Analysis*") which was necessary to permit the Receiver and her counsel to identify next steps for the Plan process. Stout's Analysis was comprehensive and included, among other things, reviewing offering documents and "Welcome Letters" that were sent to investors, identifying discrepancies between information that was sent to investors and information in StraightPath's records, analyzing the investors' contributions to the Receivership Entities, reviewing the movement of funds to and among the Receivership Entities, reviewing the use of funds for various purposes such as the purchase of Pre-IPO Shares and making distributions to investors, seeking to understand how StraightPath recorded transactions in its records, and reviewing historical tax information and attempting to reconcile tax information against the Receivership Entities' records. Additionally, the Analysis compared the total number of Shares StraightPath acquired in a Pre-IPO Company against the aggregate number of Shares to which investors were advised in the Welcome Letters that their contributions had been applied.

As set forth in the Interim Report, the Receiver has preliminarily concluded that:

(1) investors' funds were commingled and used for various purposes, including purchasing Shares in Pre-IPO Companies that were different than those for which the contribution had been earmarked and making distributions to other investors, and, as a result, it would not be feasible to attempt to trace commingled assets of the Receivership Entities to each individual investor; and

(2) a Share Shortfall exists across seven (7) Pre-IPO Companies, in the amount of 414,214 Shares, which is significantly greater than the Shortfall identified by the SEC, while a Surplus of Shares exists for ten (10) other Pre-IPO Companies, in the amount of 549,499 Shares.⁶

B. Receivership Assets

During the Reporting Period, the focus of the Receiver was to ascertain the existence of the Receivership Entities' Pre-IPO Shares, create an inventory of the Pre-IPO Shares, and communicate with certain counterparties and other third-parties concerning the pre-Receivership purchase of Pre-IPO Shares by the Receivership Entities.

1. Pre-IPO Shares

The Receiver continued to locate Pre-IPO Shares held by the SP Funds, either directly or through third-parties. Based on this analysis, the Receivership Entities' interests in Pre-IPO Shares are not held directly in all instances, but rather are held through complex financial arrangements, including investments held by unrelated entities or individuals, either as agents of the Receivership Entities or through contractual arrangements, or investments in SPVs that have invested in Pre-IPO Companies.

The Receiver's ability to identify Pre-IPO Shares was hampered by the state of the Receivership Entities' documentation delivered to the Receiver. As has been reported previously, the Receivership Entities' books and records are disorganized and incomplete with respect to numerous matters, including the Pre-IPO Shares, and in certain instances were missing documents underlying and evidencing the holding of the Pre-IPO Shares. Further, there is no complete

⁶ On August 26, 2022, less than a month after some of the Receivership Entities' books and records were released to the Receiver, counsel for the Individual Defendants submitted to the Receiver a "Plan Regarding Shortfalls in Pre-IPO Shares," which provides a proposal to the Receiver to use the Escrow Funds to purchase Pre-IPO Shares "to cover any potential shortfall that may be identified by the Receiver." (the "***Defendants' Proposal***"). During the Reporting Period the Receivership Team reviewed and analyzed the proposal and correspondence. The Defendants' Proposal, among other things, did not provide any information on the Shortfall or Commingling and the Individual Defendants took the position that they did not have their own shortfall or commingling analysis.

centralized repository of the Pre-IPO Shares and an inventory of the Pre-IPO Shares was neither included as an exhibit to the Receivership Order or the PI Order nor otherwise provided by the Individual Defendants. This required the Receiver to undertake her own review to determine the existence and attributes of the Pre-IPO Shares.

Accordingly, during the Reporting Period, the Receiver continued to create an inventory of the Pre-IPO Shares by collecting and organizing documents reflecting the Receivership Entities' ownership interests. During the Reporting Period, the Receivership Team continued its search through hundreds of thousands of documents to locate the records reflecting the existence of the Pre-IPO Shares. Additionally, the Receivership Team has contacted certain third-parties that were involved with the Receivership Entities' purchase of Pre-IPO Shares to gather missing information and validate the existence of the Pre-IPO Shares. While some of these third-parties have been of assistance to the Receiver, others have not responded, and the Receiver will seek assistance from this Court if she deems it appropriate. Additionally, the Receivership Team has communicated with counsel for the Individual Defendants to locate documents related to the Pre-IPO Shares that are missing from the books and records turned over to the Receiver.⁷

2. Undisclosed Accounts

As a result of the review described above, during the Reporting Period, the Receiver became aware of accounts that the Individual Defendants did not disclose to the Receiver, although they were required to identify them in the exhibits to the Receivership Order or in the sworn statements that the Individual Defendants were required to submit to the Receiver and the SEC. Among these accounts are an online brokerage account that holds securities of a publicly traded

⁷ While the collection of the agreements and other documents underlying the Pre-IPO Shares is substantially complete, the Receiver is continuing to collect and review documents relevant to the Pre-IPO Shares. Additionally, due to the complex nature of acquiring/purchasing the Pre-IPO Shares, the Receiver cannot represent the validity of all of the Pre-IPO Shares, and the Receivership Entities bear the execution, legal and credit risks for each such investment.

company and other electronic accounts that contain vital documentation regarding Receivership Assets. Specifically, the Receivership Team uncovered:

- i. An account at E*Trade, holding over \$270,000 in publicly traded securities as of October 21, 2022. This account was not disclosed by the Individual Defendants even though one or more of them had accessed this account in January, 2022, just a few months before the commencement of the Receivership.
- ii. Accounts at Carta, holding 22 unsigned share certificates for 6 different Pre-IPO Companies, reflecting the purchases of Pre-IPO Shares in the total amount of \$22.7 million, many of which had been issued to StraightPath over a year ago but were never signed. The Carta accounts were not disclosed by the Individual Defendants even though the password for one of the accounts was changed by one or more of the Individual Defendants in May 2022, shortly before the SEC commenced the SEC Action.
- iii. Accounts at HelloSign, holding eight (8) share purchase agreements reflecting Pre-IPO Share purchases by StraightPath in the total amount of \$4.8 million, several of which are missing from the books and records turned over by the Individual Defendants.

In addition to the above-referenced accounts, the Receiver uncovered other accounts that were used during the Receivership Entities' business operations, but were not disclosed to the Receiver, including accounts at Adobe, PitchBook, AVG, and Glassboard. Uncovering and managing the undisclosed accounts has cost the Receiver time and resources. The time spent

collecting documents would have been unnecessary if the Receiver was provided with complete and accurate information.

3. Preparing for Liquidity Events of Pre-IPO Companies

During the Reporting Period, the Receiver prepared for the possible public listings, or other liquidity events, of certain Pre-IPO Companies. Among other things, during the Reporting Period, the Receiver reviewed legal issues in connection with anticipated public listings and reviewed the agreements relating to the Receivership Entities' legal interests with respect to the Pre-IPO Companies. The Receivership Entities invested in Pre-IPO Companies through various complex transactions. This complicated investment structure, involving multiple parties, holding different types of interests, poses risks to the Receiver's ultimate receipt of shares.

Additionally, during the Reporting Period, the Receiver communicated with certain counterparties to the Receivership Entities' agreements regarding Shares in Pre-IPO Companies. This process has been time consuming, and in certain instances, the counterparties to the agreements have not confirmed with the Receiver that they will transfer the Shares to the Receiver following a liquidity event. This might result in further judicial proceedings.

C. Claims Process

During the Reporting Period, the Receiver continued to take steps to implement a claims process. Specifically, the Receiver began working towards implementation of a process by which (i) a statement will be issued to each investor, reflecting both the amounts invested in one or more SP Funds and the amount(s) previously received as distribution(s) on account of the investor's investment(s); and (ii) creditors will be given an opportunity to submit claims against the Receivership Entities. The Receivership Team is continuing to collect and review information in connection with the claims process, including reviewing historical information from the

Receivership Entities' bank and brokerage accounts. The Receiver plans to file a motion to approve the claims process in the near future.

In the meantime, investors may provide the Receiver with information regarding their investments by emailing the Receiver at StraightpathReceiver@Otterbourg.com. If an investor has not previously received any contact from the Receiver or a Schedule K-1, they are encouraged to contact the Receiver regarding their investments.

D. Plan of Distribution

During the Reporting Period, the Receiver worked on analyzing issues related to a Plan. The Receivership Team prepared memoranda to summarize certain of these issues for consideration and continued to refine such analyses. Prior to proposing a Plan, the Receiver must complete her forensic analysis, further understand the assets that are available for distribution, and process claims of investors and creditors. Additionally, the Receivership Team must consider other issues, including potential tax consequences that could reduce the ultimate distribution to investors. Further, in proposing a Plan, the Receiver will apply the governing law regarding distribution plans in receivership cases.

Investors and creditors will have the opportunity to object to the Plan proposed by the Receiver, including the distribution methodology and treatment of claims and equity interests. The Receiver cannot at this time state what type or amount of distributions will ultimately be issued to creditors and investors. Following approval of a Plan, the timing of distributions might also be impacted by, among other things, the claims that are asserted against the Receivership Entities, including, but not limited to, the substantial indemnification claims the Individual Defendants have asserted in correspondence with the Receiver.

E. The Receivership Entities' Books and Records

During the Reporting Period, the Receiver and her team continued their efforts to obtain turnover of the Receivership Entities' books and records. The Receivership Order grants the Receiver broad authority, with one exception discussed below, to the immediate control of all of the books and records and related information of the Receivership Entities. (Receivership Order, 8). As noted, there is an important limitation to this broad Order: the Individual Defendants are not obligated to provide any Pre-Appointment Privileged Materials⁸ or Personal Privileged Materials⁹ to the Receiver, and the Receiver is not permitted to receive or review any of these materials. (Receivership Order, 6) (the "*Privilege Provision*").

1. Privilege Review of Electronic Documents

The Individual Defendants initially withheld over 9,000 electronic documents on the grounds that they were subject to the Privilege Provision. Of these documents, the Individual Defendants thereafter produced in excess of 1,000 documents that they initially deemed privileged but which the Individual Defendants, upon review, concluded are not in fact privileged.

During the Reporting Period, the Receivership Team has been required to continue its efforts to seek information from the Individual Defendants concerning the approximately 8,000 documents they continue to withhold on alleged privilege grounds. On September 30, 2022, counsel for the Individual Defendants emailed a spreadsheet to the Receiver, which the Receiver understands to be a form of privilege log (the "*Log*"). During the Reporting Period, the Receiver's counsel communicated with the Individual Defendants' counsel regarding the Log, including

⁸ The Receivership Order defines "*Pre-Appointment Privileged Materials*" as any "documents or communications containing information that would be protected by the attorney-client privilege or any other privilege held by any of the Receivership Entities." (Receivership Order, 6).

⁹ The Receivership Order defines "*Personal Privileged Materials*" as "information protected by any personal attorney-client privilege of any of the Individual Defendants." (Receivership Order, 6).

asserting that the Log is deficient because, among others, it does not: (1) identify the nature of the privilege which is being claimed and the privilege rule being invoked; (2) identify the general subject matter of the document over which a privilege is claimed; and (3) explain the basis for withholding attachments to emails that are listed on the Log. The Receiver is seeking to settle this dispute but as of this date, it remains unresolved.

Additionally, during the Reporting Period, the Receiver's counsel communicated with counsel for the Individual Defendants regarding other issues related to the Receivership Entities' operations and books and records, and the Receivership Team reviewed additional books and records that were eventually turned over to the Receiver during the Reporting Period by counsel for the Individual Defendants.

2. Privilege Review of Hard Copy Documents

In addition to obtaining data from the Receivership Entities' electronic systems, the Receiver recovered hard copy documents from the Individual Defendants, including 29 boxes of hard copy documents that were held at one of the Individual Defendants' homes (the "***Hard Copy Documents***"). The Hard Copy Documents were not manually reviewed for privilege by the Individual Defendants prior to being turned over to the Receiver. Accordingly, during the Reporting Period, the Receiver implemented a protocol for the review of the Hard Copy documents for potentially privileged materials.

During the Reporting Period, the Receiver digitized the Hard Copy Documents and with the consent of the Individual Defendants¹⁰, assembled a team of Otterbourg attorneys to review the Hard Copy Documents for privilege (the "***Hard Copy Team***"). To avoid the possibility that the Otterbourg attorneys who are working more generally on the Receivership would review

¹⁰ Mr. Lachow did not take a position.

potentially privileged material, the Hard Copy Team is comprised of Otterbourg professionals who did not previously work on the Receivership and will not do so in the future except for privilege issues. There is an information cone between the Hard Copy Team and the other Otterbourg professionals working on the Receivership. After completion of the digitization process, copies of the Hard Copy Documents were released to the Individual Defendants.

F. The OUSA's Grand Jury Subpoenas

During the Reporting Period the Receiver responded to two Grand Jury Subpoenas dated September 20, 2022 (the "*Sept. 20 Subpoena*") and November 10, 2022 (the "*Nov. 10 Subpoena*," and collectively with the Sept. 20 Subpoena, the "*Subpoenas*") issued by the OUSA to SP Fund Manager. The Receiver's counsel communicated with the OUSA and the Individual Defendants' counsel regarding issues in connection with the Subpoenas. The Receiver took steps to respond to the Subpoenas and Otterbourg attorneys worked with a third-party service provider, ETRM/L2, in providing the OUSA with data in response to the Sept. 20 Subpoena.

G. The Stay Application

During the Reporting Period the Receiver and her team addressed the OUSA's Stay Application. On October 18, 2022, the OUSA filed the Stay Application. The Receiver reviewed the Stay Application. By its terms the Stay Application did not seek to stay the Receiver's work, and the Receiver consented to the relief sought in the Stay Application. The Court held a conference regarding the Stay Application on October 18, 2022 at which the Receiver and her counsel appeared. During the Court conference, the Court stayed the above-captioned action pending further order of the Court, except with respect to the Receiver's obligations and duties under the Receivership Order which were to be unaffected by the stay.

On October 25, 2022, the Court entered an order regarding a briefing schedule on the Stay Application [Dkt. No. 108], and subsequently entered stipulated orders regarding the briefing schedule [Dkt. Nos. 112, 126, 128, 138]. On December 9, 2022, the SEC filed a response to the Stay Application [Dkt. No. 135] and the Individual Defendants (other than Mr. Lachow), filed a memorandum of law in opposition to the Stay Application [Dkt. No. 136] (the “***Individual Defendants’ Opposition***”). Given the relief requested in the Individual Defendants’ Opposition, during the Reporting Period, the Receiver and her team prepared a response to the Individual Defendants’ Opposition (the “***Receiver’s Response***”), which required legal research, review of underlying documents and drafting of the Receiver’s Response. The Receiver’s Response was filed after the Reporting Period on January 6, 2023 [Dkt. No. 143].

On January 17, 2023, the Court entered an order denying the relief requested in the Individual Defendants’ Opposition and granting the OUSA’s request to extend the current stay until February 15, 2023.

H. Receivership Website, Receivership Email, and Communications

During the Reporting Period, the Receiver and her team communicated with investors and other parties-in-interest regarding the Receivership.

To facilitate communications with parties-in-interest, the Receivership Team updated the dedicated website for this Receivership (<https://www.straightpathreceivership.com>). This website provides investors and other interested parties with, among other things, periodic updates, access to Court documents including status reports, and answers to frequently asked questions.

During the Reporting Period, the Receiver also monitored the dedicated email address for inquiries (StraightpathReceiver@Otterbourg.com).

During the Reporting Period, the Receivership Team received phone call and correspondence from investors and purported creditors and communicated with those parties. As of the end of December, 2022, the Receivership Team has received or made over 1,503 individual communications by phone and email with parties-in-interest, including receiving inquiries from over 743 investors and other parties-in-interest.

During the Reporting Period, on November 14, 2022, the Receiver held a Town Hall forum via a Zoom Webinar that was open to the public and during which she provided an update and answered questions with respect to the Receivership.

I. The Second Quarterly Status Report

In accordance with Section XV of the Receivership Order, during the Reporting Period the Receivership Team drafted reports and accounting of Receivership assets. On October 31, 2022, the Receiver filed her Second Quarterly Status Report to the Court [Dkt. No. 110].

J. Pending Litigation Against the Receivership Entities

The Receivership Order provides for a stay, with certain exceptions, of civil legal proceedings against the Receivership Entities, including the action styled *Advisory Management Ltd. v. StraightPath Venture Partners LLC*, Civ. No. 153453/2021 (N.Y. Sup. Ct.) (the “***State Court Litigation***”).¹¹ During the Reporting Period, the Receiver’s counsel communicated with the State Court in the State Court Litigation to adjourn a hearing on the plaintiff’s Motion for Summary Judgment and a compliance conference that was scheduled for December 15, 2022 as a control date. On December 14, 2022, the State Court informed the Receiver that the control date had been adjourned from December 15, 2022 to June 29, 2023.

¹¹ The State Court Litigation includes a companion action with the Index No. 155089/2021.

K. Tax Issues

During the Reporting Period the Receiver and her Team addressed issues regarding the Receivership Entities' incomplete records and other pre-Receivership tax issues, and the Receiver's counsel communicated with counsel for the Receivership Entities' previous accountant and with counsel for the Individual Defendants. Additionally, the Receiver and her Team reviewed certain pre-Receivership notices of potential tax penalties that were sent by the IRS to the Receivership Entities, conducted research related to the cause of these penalties, and communicated with the IRS regarding such notices.

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 Standardized Fund Accounting Report ("*SFAR*") prepared and filed in the receivership case, as of December 31, 2022, and is attached hereto as **Exhibit A**.

As of December 31, 2022, the Receivership Entities had approximately \$19,433,939.20 in cash and securities, of which \$14,176,914.20 of cash was held in the account for the Escrow Funds, \$1,173,134.10 of cash was held in the Receivership Entities' accounts that are bank accounts, and \$4,083,890.90 worth of securities and cash¹² were held in accounts that are brokerage accounts. It is estimated that, as of December 31, 2022, accrued and unpaid administrative expenses amounted to approximately \$1,357,847.92. This amount includes the fees and expenses that have been incurred by the Receiver, Otterbourg, Stout, Stretto, and BRG during this Reporting Period.

Cash disbursements during the Reporting Period totaled \$1,659,703.19. This amount consisted of (i) \$3,710.00 in LLC filing fees; (ii) \$14,520.85 in business expenses (including bank and technology fees, brokerage account fees, subscription fees to PitchBook, QuickBooks,

¹² The total of \$4,083,890.90 consists of \$4,083,108.49 in securities and \$782.41 in cash.

GoDaddy, and Ooma phone services, and expenses related to ordering transcripts of the Receiver's Town Hall); (iii) \$48,991.00 in cumulative hosting and document processing fees for electronic data and hard copy documents collected by the Receiver; and (iv) \$1,592,481.34 in professional fees and expenses paid to Otterbourg, Stout, Stretto, and BRG as approved by orders of the Court [Dkt. Nos. 129, 130, 131, 132]. Cash receipts during the Reporting Period totaled \$9,433.78, consisting of interest income of \$9,433.69 from the Escrow Funds money market account and \$0.09 from the Pershing brokerage accounts.

IV. RECEIVERSHIP PROPERTY, PRE-IPO SHARES, AND INTERESTS SOLD TO INVESTORS

A. Receivership Property

As of December 31, 2022, the Receivership Property consisted of the following:

- i. Cash, cash equivalents, and securities of approximately \$19,433,939.20;
- ii. Pre-IPO Shares, including holdings in SPVs, forward contracts, economic interest agreements, and direct shares, held either directly or indirectly, as well as other securities;

At the time of this Status Report, the Receiver continues to collect and review financial information with respect to StraightPath, including the ownership of Pre-IPO Shares. As reported in the Interim Report, and as further explained below, prior to the Receivership, the Receivership Entities spent \$272,143,367 to acquire a total of 18,611,440 Shares in Pre-IPO Companies. The value of the Receivership Entities' investment portfolio has not yet been independently verified by the Receiver.

B. Information with Respect to Pre-IPO Shares

The Receivership Order requires the Receiver to report on the following items with respect to StraightPath's holding in Pre-IPO Shares:

- Itemization by SP Fund series of the number of Pre-IPO Shares purchased by each SP Fund series. (Receivership Order, XV.C.)
- Itemization by SP Fund series of the number of investment interests in Pre-IPO Shares sold to investors by each SP Fund series, the SP Fund Manager, or the SP Adviser. (Receivership Order, XV.D.)
- Inventory of the Pre-IPO Shares held by the Receivership Entities. (Receivership Order, XV.E.)

1. Pre-IPO Shares purchased by each SP Fund Series

As stated in the Interim Report, the Analysis has identified a total of 213 transactions in which the Receivership Entities purchased Pre-IPO Shares. According to the Private Placement Memorandum that was sent to prospective investors, each SP Fund were to be separated into segregated series (each a “*Series*”). (See SPVF 1, Confidential Private Placement Memorandum, Summary of Terms of the Fund.) However, in fact, the Receivership Entities’ purchases of Pre-IPO Shares were not made on a Fund-by-Fund or Series-by-Series basis but, in many instances, the investors’ contributions into the SP Funds were transferred to other Receivership Entities, pooled together, and then used to purchase Pre-IPO Shares. Given the state of the books and records, determining how the Pre-IPO Shares should have been allocated among the SP Funds or Series is an arduous task that might not be capable of success. Compounding this problem, SP Fund Manager also used the pooled funds to pay fees to the Individual Defendants and sales agents without identifying the SP Fund that was obligated to pay the fees or the basis for calculation of the fees.

Moreover, the Receivership Entities generally did not enter into intercompany stock purchase agreements or otherwise document the transfer of funds between or among Receivership Entities for the purchase of Pre-IPO Shares. Although the Receivership Entities engaged in numerous intercompany transactions in which SP Funds transferred investors’ contributions to SP Fund Manager or other SP Funds for the purpose of purchasing Shares, the Receivership Team

identified only nineteen (19) intercompany stock agreements between SP Fund Manager and any of the SP Funds. Moreover, oftentimes those nineteen (19) agreements, which are all dated between October 2018 and August 2019, are inconsistent with the transactions that actually occurred.

Based on the Analysis, during the Relevant Period (as defined in the Interim Report) StraightPath¹³ acquired the following Shares in Pre-IPO Companies¹⁴:

Pre-IPO Company	Stage	SPVP	SPH	SPVF 1	SPVF 2	SPVF 7	SPVF 8	TOTAL SHARES
23andMe	IPO	41,625						41,625
AirBnB	IPO	109,696				6,400		116,096
Automation Anywhere	Pre-IPO	190,407				57,968		248,375
Blend	IPO	150,833						150,833
Chime	Pre-IPO	26,538						26,538
Dataminr	Pre-IPO	125,000						125,000
Eat Just	Pre-IPO	268,947					248,627	517,574
Flexport	Pre-IPO	75,000						75,000
GRAB	IPO	736,108					700,000	1,436,108
Impossible Foods	Pre-IPO	726,338				780,000		1,506,338
Klarna	Pre-IPO	6,962						6,962
Kraken	Pre-IPO	273,000						273,000
Lyft	IPO	32,581		7,619	18,278			58,478
Palantir	IPO	5,512,356		835,734	146,952			6,495,042
Pinterest	IPO	668,280						668,280
Plaid	Pre-IPO	20,150						20,150
Rubrik	Pre-IPO	959,311				15,000		974,311
Scopely	Pre-IPO	332,278						332,278
SoFi	IPO	819,418				243,400		1,062,818
SpaceX	Pre-IPO	4,229						4,229
Thoughtspot	Pre-IPO	115,307						115,307
Triller	Pre-IPO	1,611,038	1,250,000			720,000		3,581,038
Virgin Hyperloop	Pre-IPO			75,507				75,507
Zebra	Pre-IPO	506,524						506,524
Zipline	Pre-IPO	194,029						194,029
Total		13,505,954	1,250,000	918,860	165,230	1,822,768	948,627	18,611,440
<i>% of Total</i>		<i>72.6%</i>	<i>6.7%</i>	<i>4.9%</i>	<i>0.9%</i>	<i>9.8%</i>	<i>5.1%</i>	<i>100.0%</i>

Further, based on the Analysis, during the Relevant Period (as defined in the Interim Report), StraightPath spent \$272,143,367 to acquire the following Shares in Pre-IPO Companies:

¹³ StraightPath Holdings, Inc. (“*SP Holdings*” or “*SPH*”) is not part of the Receivership, but this entity was included in the analyses because funds were moved between SPH and Receivership Entities.

¹⁴ Under the relevant acquisition agreements, Triller Acquisition LLC Shares were purchased by StraightPath. Triller Acquisition LLC (“*AcqCo*”) is the parent of Triller Hold Co LLC (“*HoldCo*”), the entity that is expected to “go public.” StraightPath acquired a total of 1,449,688 interests in AcqCo. Each interest in AcqCo is convertible into 1.1113 Class A Common Units of HoldCo. Upon conversion, the total shares in HoldCo will increase to 3,581,038 shares.

Pre-IPO Company	Stage	SPVP	SPH	SPVF 1	SPVF 2	SPVF 7	SPVF 8	TOTAL (\$ USD)
23andMe	IPO	\$ 712,644						\$ 712,644
AirBnB	IPO	12,812,715				672,000		13,484,715
Automation Anywhere	Pre-IPO	5,749,678				965,167		6,714,846
Blend	IPO	839,665						839,665
Chime	Pre-IPO	1,592,280						1,592,280
Dataminr	Pre-IPO	5,400,000						5,400,000
Eat Just	Pre-IPO	4,487,446					3,170,000	7,657,446
Flexport	Pre-IPO	975,000						975,000
GRAB	IPO	4,254,426					4,190,000	8,444,426
Impossible Foods	Pre-IPO	19,932,788				16,232,500		36,165,288
Klarna	Pre-IPO	9,522,563						9,522,563
Kraken	Pre-IPO	13,346,500						13,346,500
Lyft	IPO	1,681,821		373,331	941,332			2,996,484
Palantir	IPO	30,484,021		4,540,823	793,541			35,818,384
Pinterest	IPO	4,390,821						4,390,821
Plaid	Pre-IPO	20,176,500						20,176,500
Rubrik	Pre-IPO	28,916,321				347,400		29,263,721
Scopely	Pre-IPO	15,511,668						15,511,668
SoFi	IPO	8,936,829				2,741,186		11,678,015
SpaceX	Pre-IPO	1,083,652						1,083,652
Thoughtspot	Pre-IPO	2,174,486						2,174,486
Triller	Pre-IPO	11,499,995	13,689,500			6,004,800		31,194,295
Virgin Hyperloop	Pre-IPO			200,094				200,094
Zebra	Pre-IPO	6,739,533						6,739,533
Zipline	Pre-IPO	6,060,341						6,060,341
Total		\$ 217,281,694	\$ 13,689,500	\$ 5,114,247	\$ 1,734,872	\$ 26,963,053	\$ 7,360,000	\$ 272,143,367
% of Total		79.8%	5.0%	1.9%	0.6%	9.9%	2.7%	100.0%

2. Itemization by SP Fund Series of the number of investment interests in Pre-IPO Shares sold to investors by each SP Fund Series

Investors in the SP Funds do not actually own “shares” of specific Pre-IPO Companies, they own “interests” in one of the SP Funds. Prospective investors in the SP Funds were provided with offering documents, which included, among other things, a private placement memorandum (“PPM”). To invest in a Series, Investors would return a completed subscription agreement that identified the Pre-IPO Company in which the Series invested and the price per Share of such investment.¹⁵ Generally, investors were sent a “Welcome Letter,” which identified their percentage interest in the Series, stated that the Series holds a “beneficial interest” in a specific number of Shares of a specific Pre-IPO Company, and that the investor’s contribution was “applied

¹⁵ In some instances, after a “liquidity event” (i.e., a Pre-IPO Company went public), investments were re-invested (“flipped”), with some or all of the proceeds of the original investments into a different Series.

to” an investment at a specific price per share and approximate number of Shares of the specific Pre-IPO Company.

Based on the Analysis, and while subject to change as the Analysis continues,¹⁶ it appears that during the Relevant Period \$395,901,668 was contributed by investors into StraightPath for investment into Pre-IPO Companies, as follows.¹⁷

Pre-IPO Company	Stage	Investor Cash Contribution (#)	Investor Re-investment (#)	Total Investor Shares (#)	Investor Cash Contribution (\$)	Investor Re-investment (\$)	Total Investor Contributions (\$)
23andMe	IPO	31,107	-	31,107	\$ 675,900	\$ -	\$ 675,900
AirBnB	IPO	115,506	-	115,506	18,224,668	-	18,224,668
Automation Anywhere	Pre-IPO	305,274	8,985	314,259	10,981,875	359,385	11,341,260
Blend	IPO	-	-	-	-	-	-
Chime	Pre-IPO	24,407	1,618	26,025	1,899,295	137,530	2,036,825
Dataminr	Pre-IPO	78,415	9,988	88,403	4,696,713	649,249	5,345,962
Eat Just	Pre-IPO	577,202	14,836	592,038	12,454,010	489,260	12,943,270
Flexport	Pre-IPO	65,620	6,248	71,868	1,188,965	121,835	1,310,800
GRAB	IPO	1,438,849	-	1,438,849	10,411,745	-	10,411,745
Impossible Foods	Pre-IPO	1,545,714	5,756	1,551,470	50,399,188	201,458	50,600,646
Klarna	Pre-IPO	6,171	182	6,353	10,524,069	345,800	10,869,869
Kraken	Pre-IPO	315,988	46,836	362,823	24,690,589	3,462,870	28,153,459
Lyft	IPO	58,077	-	58,077	3,549,999	-	3,549,999
Palantir	IPO	6,517,513	-	6,517,513	52,415,826	-	52,415,826
Pinterest	IPO	655,757	6,250	662,007	5,156,219	50,000	5,206,219
Plaid	Pre-IPO	16,157	1,697	17,854	24,020,063	2,717,592	26,737,655
Rubrik	Pre-IPO	995,240	68,061	1,063,301	39,043,044	3,500,404	42,543,448
Scopely	Pre-IPO	315,255	63,589	378,845	20,942,754	4,455,597	25,398,351
SoFi	IPO	986,558	17,035	1,003,593	14,798,679	266,611	15,065,290
SpaceX	Pre-IPO	4,191	-	4,191	1,275,175	-	1,275,175
Thoughtspot	Pre-IPO	108,312	5,500	113,812	2,868,535	137,500	3,006,035
Triller	Pre-IPO	2,898,514	343,497	3,242,012	46,797,260	7,026,848	53,824,108
Virgin Hyperloop	Pre-IPO	78,862	-	78,862	300,173	-	300,173
Zebra	Pre-IPO	382,262	20,987	403,249	8,155,306	461,710	8,617,016
Zipline	Pre-IPO	129,844	1,666	131,510	5,798,081	74,970	5,873,051
Unknown		-	-	-	174,920	-	174,920
Total		17,650,796	622,731	18,273,527	\$ 371,443,049	\$ 24,458,619	\$ 395,901,668

3. Inventory of the Pre-IPO Shares held by the Receivership Entities.

As explained above, the Receivership Team is working to take inventory of StraightPath’s holdings in Pre-IPO Shares and intends to provide a report in subsequent status reports.

¹⁶ These findings with respect to investor contributions are subject to change, including because of the claims reconciliation process the Receiver will propose and then implement with Court approval.

¹⁷ Total investor contributions are net of any broker’s commissions (usually 10%) or other fees charged to investors, if applicable.

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

As to liquidated claims or unliquidated claims, the Receiver is continuing to investigate potential claims. The Receiver may have causes of action against a number of parties and will be considering associated claims. The Receiver at this time cannot state whether any actions will be commenced and, if commenced, the value of any claims and the likelihood of collecting on any judgment that may ultimately be obtained.

VI. CLAIMS ANALYSIS

As noted, the Receiver has been assembling information with respect to investors and intends to file a claims process motion in the near future. The claims process motion will set forth procedures by which the Receiver will issue statements to each investor concerning their equity interests. Investors will have an opportunity to review and refute the information provided. If an investor confirms his/her claims information, the information will form the basis of distributions, if any, pursuant to a Plan. If an investor disputes the claim information, the Receiver will work with the investor to reconcile any discrepancies, while providing for a dispute process, including mediation and summary proceedings before the Court. The claims process will also provide procedures for creditors to submit claims to the Receiver.

VII. RECOMMENDATIONS FOR CONTINUATION OR DISCONTINUATION OF RECEIVERSHIP

The Receiver believes that continuation of the receivership is in the best interests of the creditors and investors of StraightPath. While the Receivership Entities could be administered in a bankruptcy proceeding, the Receiver believes that continuing with the orderly administration of the Receivership Entities in this receivership case provides much greater flexibility to achieve an equitable result for the investors.

This receivership case arose as a result of an alleged fraud with respect to the Individual Defendants' alleged actions in connection with the Receivership Entities. As the United States District Court for the Southern District of New York stated in *SEC v. Byers*, 637 F. Supp. 2d 166 (S.D.N.Y. 2009), in which the Court considered whether estate administration through an SEC receivership or through a bankruptcy case was preferable: "[u]nder these circumstances, it would be inequitable to force the case into bankruptcy, where the bankruptcy court would have less flexibility in determining the most equitable approach to distribute assets to victims. The overriding goal of these proceedings should be fairness to the defrauded investors, and forcing this case into bankruptcy would, I believe, be inconsistent with that goal." *Byers*, 637 F. Supp. 2d at 175-76.

The Receiver believes that the reasons set forth in the *Byers* case hold true here. The Receiver also has the ability to propose a plan for distribution of assets that does not adhere to the absolute priority rule, which is required in bankruptcy. Here, the Receiver has not made any decisions regarding the treatment of creditor and investor claims, but remaining in the receivership offers her flexibility, if appropriate, to prioritize investors.

VIII. CONCLUSION

The Receiver cannot at this time state when she expects the case to be concluded. The Receiver is making progress in administering the Receivership Estate, including (i) marshalling and managing the Receivership Entities' assets; (ii) processing claims; and (iii) continuing to analyze issues related to a Plan.

Dated: January 30, 2023
New York, New York

OTTERBOURG P.C.

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STANDARDIZED FUND ACCOUNTING REPORT for STRAIGHTPATH RECEIVERSHIP - Cash Basis
 Receivership; Civil Court Docket No. 1.22-cv-03897-LAK

FUND ACCOUNTING (See instructions):						
			Reporting Period 10/01/2022 to 12/31/2022			Cumulative Total from 6/14/2022 to 12/31/2022
			Detail	Subtotal	Grand Total	Detail Subtotal Grand Total
Line 1	Beginning Period Balance				\$ 20,873,954.30	\$ -
	<i>Increase in Fund Balance:</i>					
Line 2	Business Income	\$ -				\$ -
Line 3	Cash and Securities	210,254.31				5,917,615.64
Line 4	Interest/Dividend Income	9,433.78				18,958.03
Line 5	Business Asset Liquidation	-				-
Line 6	Personal Asset Liquidation	-				-
Line 7	Third-Party Litigation Income	-				-
Line 8	Miscellaneous - Other [1]	-				15,188,182.45
	Total Funds Available (Lines 1 - 8):			\$ 219,688.09	\$ 21,093,642.39	\$ 21,124,756.12 \$ 21,124,756.12
	<i>Decreases in Fund Balance:</i>					
Line 9	Disbursements to Investors			\$ -		\$ -
Line 10	Disbursements for Receivership Operations					
Line 10a	Disbursements to Receiver or Other Professionals [2]	(1,592,481.34)				(1,605,979.94)
Line 10b	Business Asset Expenses	(62,576.85)				(73,719.98)
Line 10c	Personal Asset Expenses	-				-
Line 10d	Investment Expenses	-				-
Line 10e	Third-Party Litigation Expenses					
	1. Attorney Fees	-				-
	2. Litigation Expenses	-				-
	Total Third-Party Litigation Expenses	-				-
Line 10f	Tax Administrator Fees and Bonds	-				-
Line 10g	Federal and State Tax Payments	-				-
	Total Disbursements for Receivership Operations			\$ (1,655,058.19)		\$ (1,679,699.92)
Line 11	Disbursements for Distribution Expenses Paid by the Fund:					
Line 11a	Distribution Plan Development Expenses:					
	1. Fees:					
	Fund Administrator.....	\$ -				\$ -
	Independent Distribution Consultant (IDC).....	-				-
	Distribution Agent.....	-				-
	Consultants.....	-				-
	Legal Advisors.....	-				-
	Tax Advisors.....	-				-
	2. Administrative Expenses	-				-
	3. Miscellaneous	-				-
	Total Plan Development Expenses	\$ -				\$ -
Line 11b	Distribution Plan Implementation Expenses:					
	1. Fees:					
	Fund Administrator.....	\$ -				\$ -
	IDC.....	-				-
	Distribution Agent.....	-				-
	Consultants.....	-				-
	Legal Advisors.....	-				-
	Tax Advisors.....	-				-
	2. Administrative Expenses	-				-
	3. Investor Identification:					
	Notice/Publishing Approved Plan.....	-				-
	Claimant Identification.....	-				-
	Claims Processing.....	-				-
	Web Site Maintenance/Call Center.....	-				-
	4. Fund Administrator Bond	-				-
	5. Miscellaneous	-				-
	6. Federal Account for Investor Restitution	-				-
	7. (FAIR) Reporting Expenses	-				-
	Total Plan Implementation Expenses	\$ -				\$ -
	Total Disbursement for Distribution Expenses Paid by the Fund			\$ -	\$ -	\$ - \$ -

STANDARDIZED FUND ACCOUNTING REPORT for STRAIGHTPATH RECEIVERSHIP - Cash Basis
 Receivership; Civil Court Docket No. 1.22-cv-03897-LAK

FUND ACCOUNTING (See instructions):						
			Reporting Period 10/01/2022 to 12/31/2022			Cumulative Total from 6/14/2022 to 12/31/2022
			Detail	Subtotal	Grand Total	Detail Subtotal Grand Total
Line 12	Disbursements to Court/Other:					
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	\$ (4,645.00)				\$ (11,117.00)
Line 12b	Federal Tax Payments	-				-
	Total Disbursements to Court/Other:		\$ (4,645.00)			\$ (11,117.00)
	Total Funds Disbursed (Lines 9 - 11):		\$ (1,659,703.19)	\$ (1,659,703.19)		\$ (1,690,816.92) \$ (1,690,816.92)
Line 13	Ending Balance (As of 12/31/2022):				\$ 19,433,939.20	\$ 19,433,939.20
Line 14	Ending Balance of Fund - Net Assets:					
Line 14a	Cash & Cash Equivalents	\$ 15,350,830.71				\$ 15,350,830.71
Line 14b	Investments	4,083,108.49				4,083,108.49
Line 14c	Other Assets or Uncleared Funds	-				-
	Total Ending Balance of Fund - Net Assets			\$ 19,433,939.20		\$ 19,433,939.20
OTHER SUPPLEMENTAL INFORMATION:						
Report of Items NOT To Be Paid by the Fund:						
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:					
Line 15a	Plan Development Expenses Not Paid by the Fund:					
	1. Fees:					
	Fund Administrator.....	\$ -				\$ -
	Independent Distribution Consultant (IDC).....	-				-
	Distribution Agent.....	-				-
	Consultants.....	-				-
	Legal Advisors.....	-				-
	Tax Advisors.....	-				-
	2. Administrative Expenses	-				-
	3. Miscellaneous	-				-
	Total Plan Development Expenses Not Paid by the Fund		\$ -			\$ -
Line 15b	Plan Implementation Expenses Not Paid by the Fund:					
	1. Fees:					
	Fund Administrator.....	\$ -				\$ -
	IDC.....	-				-
	Distribution Agent.....	-				-
	Consultants.....	-				-
	Legal Advisors.....	-				-
	Tax Advisors.....	-				-
	2. Administrative Expenses	-				-
	3. Investor Identification:					
	Notice/Publishing Approved Plan.....	-				-
	Claimant Identification.....	-				-
	Claims Processing.....	-				-
	Web Site Maintenance/Call Center.....	-				-
	4. Fund Administrator Bond	-				-
	5. Miscellaneous	-				-
	6. FAIR Reporting Expenses	-				-
	Total Plan Implementation Expenses Not Paid by the Fund		\$ -			\$ -
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund		\$ -	\$ -		\$ - \$ -
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			\$ -		\$ -
Line 16	Disbursements to Court/Other Not Paid by the Fund:					
Line 16a	Investment Expenses/CRIS Fees	\$ -				\$ -
Line 16b	Federal Tax Payments	-				-
	Total Disbursements to Court/Other Not Paid by the Fund:		\$ -	\$ -		\$ -
Line 17	DC & State Tax Payments					

STANDARDIZED FUND ACCOUNTING REPORT for STRAIGHTPATH RECEIVERSHIP - Cash Basis
 Receivership; Civil Court Docket No. 1.22-cv-03897-LAK

FUND ACCOUNTING (See instructions):							
		Reporting Period 10/01/2022 to 12/31/2022			Cumulative Total from 6/14/2022 to 12/31/2022		
		Detail	Subtotal	Grand Total	Detail	Subtotal	Grand Total
Line 18	No. of Claims:						
	# of Claims Received This Reporting Period.....			0			0
	# of Claims Received Since Inception of Fund.....			0			0
Line 19	No. of Claimants/Investors:						
	# of Claimants/Investors Paid This Reporting Period.....			0			0
	# of Claimants/Investors Paid Since Inception of Fund.....			0			0

Notes:

- [1] The Preliminary Injunction Order (ECF 55) requires that the three individual defendants, Brian Martinsen, Francine Lanaia and Michael Castillero, collectively pay \$15 million, plus the remainder of retainer funds provided to Nardello & Co., into an account established by the Receiver (the "Escrow Account"). As of July 8, 2022, the Escrow Account has been fully funded by \$3,275,000 from Mr. Castillero, \$5,862,500 from Ms. Lanaia, and \$5,862,500 from Mr. Martinsen. The remainder of retainer funds of \$188,182.45 from Nardello & Co. were also deposited into the Escrow Account.
- [2] The Receivership Order provides that the Receiver shall not use more than \$1,150,000 of the Escrow Funds for fees and expenses associated with the operation of the receivership. Of the \$1,592,481.34 in professional fees and expenses paid during the Reporting Period, \$947,739.82 was paid from the Escrow Account and the balance of \$644,741.52 was paid from cash that was transferred to the Receivership operating account from the SP Manager bank account.

Receiver:

By: /s/ Melanie L. Cyganowski
 (signature)

Melanie L. Cyganowski, as Receiver
 (printed name)

Court Appointed Receiver
 (title)

Date: January 30, 2023