UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, -v- STRAIGHTPATH VENTURE PARTNERS LLC, STRAIGHTPATH MANAGEMENT LLC, BRIAN K. MARTINSEN, MICHAEL A. CASTILLERO, FRANCINE A. LANAIA, and ERIC D. LACHOW, Defendants.	:	No. 1:22-cv-03897-LAK

THE RECEIVER'S INTERIM STATUS REPORT CONCERNING PRELIMINARY FINDINGS ON COMMINGLING AND SHARE SHORTFALL

Melanie L. Cyganowski, the receiver (the "***Receiver***") for the Receivership Entities[1] by her undersigned counsel, hereby submits this Interim Status Report (the "***Interim Report***") in accordance with the Consent Order Appointing Receiver [Dkt. No. 56] (the "***Receivership Order***"), entered on June 14, 2022, which appointed the Receiver for the estate of the Receivership Entities (the "***Receivership***").[2]

I. PRELIMINARY STATEMENT

The Receiver continues the work necessary to propose a plan of distribution (a "***Plan***") to investors in the Receivership Entities. Accordingly, and as explained in *The Receiver's Second*

[1] The "***Receivership Entities***" or "***StraightPath***" refer to collectively, StraightPath Venture Partners LLC ("***SP Manager***" or "***SPVP***"), StraightPath Management LLC ("***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***"), and SP Ventures Fund 9 LLC ("***SPVF 9***" and collectively, the "***SP Funds***"). StraightPath Holdings, Inc. ("***SP Holdings***" or "***SPH***") is not part of the Receivership, but this entity was included in the Commingling and Shortfall analyses because funds were moved between SPH and Receivership Entities.

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

Quarterly Status Report To The Court [Dkt. No. 110] (the "***Second Quarterly Report***"), in order to propose a Plan that treats all investors equitably, the Receiver must first determine if (i) there was commingling of the Receivership Entities' assets ("***Commingling***") during the period from StraightPath's inception in 2017 until the appointment of the Receiver on June 14, 2022 (the "***Relevant Period***"), and if so, to what extent; and (ii) the number of shares StraightPath acquired in a Pre-IPO Company ("***Shares***")[3] is less than (a "***Shortfall***"), or greater than (a "***Surplus***"), the aggregate number of Shares to which StraightPath advised investors their contributions "ha[d] been applied".[4] The Receiver will submit a proposed Plan that addresses those issues consistent with the controlling law in the Second Circuit.

In issuing this Interim Report, the Receiver is neither seeking to prove the claims or defenses asserted in the pleadings in this case filed by either the Securities and Exchange Commission ("***SEC***") or the Individual Defendants[5] nor is the Receiver seeking any relief from the Court at this time. Instead, the purpose of this Interim Report is to provide information on the Receiver's findings to date in connection with due diligence necessary to propose a Plan. **The information in this Interim Report is not final and is subject to change as the Receiver**

[3] Although this Interim 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 Interim Report refers to "Shares" to include all such interests acquired by the Receivership Entities.

[4] *See* Welcome Letters sent to investors. Notwithstanding the Receiver's preliminary identification of the Receivership Entities' acquisition of Shares in Pre-IPO Companies, the Receivership Entities bear the execution and other risks, including, without limitation, that (i) Pre-IPO Companies in which StraightPath acquired Shares will not "go public" or have another type of liquidity event, or will fail; and (ii) that the counterparties to StraightPath's share purchase agreements will not perform all of their obligations under the agreements and deliver Shares to the Receiver following a liquidity event or will assert that there exists a legal basis for refusing to perform. Additionally, the number of Shares that StraightPath purchased may be different than the number of Shares that are eventually distributed following a liquidity event due to conversion ratios that may be applicable.

[5] The term "Individual Defendants" refers collectively (and individually, as the case may be), to Brian K. Martinsen, Michael A. Castillero, Francine A. Lanaia, and Eric D. Lachow.

continues to review and receive information, including through the Receivership claims reconciliation process, which the Receiver is taking steps to implement.

Based on the analysis conducted by her financial advisor Stout Risius Ross, LLC ("***Stout***"), as described more fully below, 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 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 certain other Pre-IPO Companies.

II. BACKGROUND

As discussed in her Prior Reports,[6] the Receiver, with the assistance of her professionals, has reviewed StraightPath's books and records and bank and brokerage account statements. That review continues.

A. Review of the Receivership Entities' Books and Records

The Receiver's Prior Reports explain the disarray of StraightPath's books and records and the failure of the Receivership Entities to properly document transactions clearly, completely or accurately. StraightPath's books and records do not appear to contain any schedule or other centralized document that articulates a complete and accurate record of the investors' contributions

[6] As used herein, the term "Prior Reports" refers to the Receiver's (i) *Initial Status Report to the Court* [Dkt. No. 70]; (ii) *First Quarterly Status Report to the Court* [Dkt. No. 85]; and (iii) *Second Quarterly Status Report to the Court* [Dkt. No. 110].

to the Receivership Entities, the Receivership Entities' use of those contributions, the Receivership Entities' ownership interests in Pre-IPO Shares, and distributions that were made from the Receivership Entities. Accordingly, the Receiver tasked Stout with analyzing the Receivership Entities' pre-receivership receipt, movement and use of investors' contributions and distributions (the "***Analysis***").

The Analysis involved the use of various sources of documents turned over to or obtained by the Receiver, including agreements between the Receivership Entities and investors regarding investors' purchase of interests in the Receivership Entities, "Welcome Letters" sent to investors, bank and brokerage statements reflecting the inflows and outflows of funds and shares, StraightPath's agreements to purchase Shares of Pre-IPO Companies, accounting ledgers, historical tax returns, tracking spreadsheets, and correspondence with investors and other parties. None of these documents alone could provide a complete picture of the Receivership Entities' historical financial transactions, and documents often had to be cross-referenced in order to understand a particular transaction due to inconsistent information contained in the various StraightPath documents.

1. Documents Reflecting Investors' Interests in the SP Funds

There were nine (9) SP Funds. Each received investor contributions. Although neither SP Manager nor SP Holdings were investment vehicles, they also directly received investors' contributions.

Prospective investors in the SP Funds were provided with offering documents, which included, among other things, a private placement memorandum ("***PPM***"), a limited liability company operating agreement, and a subscription agreement (the signature page for which was referred to as "Exhibit D"). Additionally, prospective investors were provided with documents that were specific to a Pre-IPO Company, including a "General Series Investment Letter" and "pitchbook," and were quoted a price per Share in the Pre-IPO Companies to which their investments in the SP Funds were earmarked.

According to the PPM, each SP Fund was separated into segregated series (each a "***Series***"). (*See* SPVF 1, Confidential Private Placement Memorandum, Summary of Terms of the Fund.) The PPM provided that investors would purchase interests in a Series and that each Series was established for making investments in specific private companies ("***Pre-IPO Companies***" and each a "***Pre-IPO Company***"). (*See* SPVF 1, Confidential Private Placement Memorandum, i).

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.[7] 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 to" an investment at a specific price per share and approximate number of Shares of the specific Pre-IPO Company. However, investors in the SP Funds do not actually own shares of specific Pre-IPO Companies, they own interests in one of the SP Funds.

The Receivership Entities' books and records turned over to the Receiver were deficient in numerous and significant respects particularly given the significant amounts of investor funds held or invested at any one time by StraightPath. Among other things, in many instances the Welcome Letters, which contain critical information that was not in all instances recorded elsewhere, contain inconsistencies, including incorrect investor information (i.e., errors in investor name, price per

[7] 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 re-invested into a different Series.

Share, or total contribution amount). These errors required Stout to take additional steps to identify and correct the information.[8] Further, the Welcome Letters were not stored in a central location and could only be located through a search of the Receivership Entities' email, computing systems, and hard copy documents.

2. The Receivership Entities' Bank and Brokerage Accounts

Generally, when an investor contributed funds to invest in a Receivership Entity, the contributions were deposited into a Receivership Entity bank account. At any one time, each of the SP Funds maintained a bank account, and bank accounts also were maintained by SP Manager and SP Holdings. The financial institutions at which the bank accounts were maintained issued bank statements for each account. The bank statements contained transaction details, including the date of each transaction, the party depositing or receiving funds with respect to each transaction, and the amount of the funds being transferred.

In addition to maintaining bank accounts, the Receivership Entities maintained brokerage accounts at various financial institutions. SP Manager and each SP Fund (other than SPVF 9)

[8] Other inconsistencies also exist. For example, the SP Funds' offering documents stated the SP Fund entered into an agreement with Tower Fund Services ("***Tower***") to perform general administrative tasks, which were to include, among other things, the issuance and redemption of partnership interests, the calculation of the SP Fund's net asset value, and establishing and maintaining the register of interests of the SP Fund. Indeed, as late as May 5, 2022, investors were sent offering documents with language to this effect. However, the relationship between StraightPath and Tower appears to have broken down three years earlier, in May 2019. Specifically, on January 14, 2020, a Tower representative emailed Mr. Lachow stating "you were going to arrange a call with your funds' attorneys to discuss the violations of excess of 100 investors in a fund and that you have multiple funds with the same investment strategy which is a means to avoid the Reg D offering mandate. Besides that, we don't have completed books and records for the funds because we never had our requests for such ever answered." Further, email correspondence between Tower and certain of the Individual Defendants on March 13, 2019 reflects that Tower advised them that "it is very important to keep the deposits separate for each fund. … There should not be any deposits made in to the other two bank accounts for transactions occurring in fund 3."

Additionally, certain of the Receivership Entities had sought to retain Spicer Jeffries LLP ("***Spicer***") in January 2019 for auditing services, but it appears that their relationship broke down shortly thereafter around May 2019. However, StraightPath continued to list Spicer as its auditor on its Form ADV in September 2021 and emailed investors that Spicer was its auditor in June of 2020.

maintained a brokerage account at three separate financial institutions. Certain of the SP Funds had additional brokerage accounts. At some point after a Pre-IPO Company in which StraightPath invested began trading publicly, the brokerage accounts received shares of the now publicly traded company. Once received by the Receivership Entities' brokerage accounts, the shares were transferred to other brokerage accounts, including brokerage accounts of other Receivership Entities and of third parties (e.g., the Individual Defendants, sales agents, and investors). The Receivership Entities' brokerage accounts were also used to sell shares, and when that occurred, certain of the cash proceeds from the sale of shares would be transferred from the brokerage account to a Receivership Entity's bank account.

While the financial institutions that maintained the brokerage accounts issued account statements, the account statements often do not contain complete information regarding the liquidation of publicly traded shares and/or the transfer of shares to third parties (both investors and the Individual Defendants). Accordingly, while the brokerage account statements identify the cash that was transferred out of the brokerage accounts to the Receivership Entities' bank accounts, more information is needed to identify the distributions of shares from the brokerage accounts, among other things. The Receivership team has been in communication with the brokerage companies to obtain additional information. Given the absence of this information, the analysis of the brokerage accounts is not complete, including a complete analysis of the share distributions that were made to investors, sales agents, and the Individual Defendants.

3. Acquisition of Pre-IPO Shares and Intercompany Agreements

The Analysis has identified a total of 213 transactions in which the Receivership Entities purchased Pre-IPO Shares during the Relevant Period. StraightPath purchased Pre-IPO Shares in large blocks – StraightPath did not go out into the market and purchase Shares each time an investor contributed funds. The Receivership Entities purchased Shares in Pre-IPO Companies through various methods. In certain instances, StraightPath worked with brokers or other intermediaries to acquire Pre-IPO Shares; in other instances, StraightPath entered into agreements directly with equity holders. The Receivership Entities' Shares in Pre-IPO Companies were obtained through various types of agreements, including subscription agreements in funds or SPVs, forward contracts, economic interest agreements, and share purchase agreements.[9]

As explained below, the Receivership Entities' purchases of Pre-IPO Shares were not made on a Fund-by-Fund or Series-by-Series basis. 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, it was difficult to determine how the Pre-IPO Shares should have been allocated among the SP Funds. Compounding this problem, SP 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 entered into numerous intercompany transactions in which SP Funds transferred investors' contributions to SP Manager or other SP Funds for the purpose of purchasing Shares, the Receivership team identified only nineteen (19) intercompany stock agreements between SP Manager and any of the SP Funds.

[9] The Receivership Entities' books and records do not contain a centralized repository of these agreements and they are interspersed throughout the Receivership Entities' books and records. While the Receiver's collection of the agreements and other documents underlying the acquisition of Pre-IPO Shares is substantially complete, there are still missing acquisition documents. The Receiver is continuing her efforts to identify and collect missing documents relevant to the acquisition of Pre-IPO Shares. In instances where acquisition documents were not located, the number of Shares and purchase price data were identified by reviewing outgoing bank wires, QuickBooks records, and email correspondence.

Moreover, oftentimes those nineteen (19) agreements, which are all dated between October 2018 and August 2019, are inconsistent with the transactions that actually occurred.

4. The Receivership Entities' QuickBooks

The Receivership Entities used an accounting software called QuickBooks to record transactions and generate the Receivership Entities' general ledgers and other financial reports such as balance sheets and income statements. However, the QuickBooks accounts of the Receivership Entities did not follow generally accepted accounting principles or even the basic bookkeeping necessary to track StraightPath's financial affairs, including consistently failing to properly record transactions or post appropriate journal entries.[10]

Among other failings, each Receivership Entity did not have its own QuickBooks general ledger. Instead, the transactions for SP Manager, SP Holdings *and* SPVF 1 through 6 were combined in one QuickBooks general ledger (the "***Combined QuickBooks***"). Only SPVF 7, 8 and 9 had separate QuickBooks general ledgers.

Moreover, the Combined QuickBooks does not in all instances identify the specific Receivership Entity conducting each transaction. A QuickBooks function or field called "Class" appears to have been utilized prior to the Receivership in an attempt to segregate the records by Receivership Entity, but it was not consistently used and is oftentimes incomplete, inaccurate, and unreliable. Accordingly, it is often difficult to tell from the Combined QuickBooks which transaction pertains to which Receivership Entity. As a result, the Combined QuickBooks balance sheets for SP Manager, SP Holdings, and SPVF 1 through 6 do not balance on a standalone basis

[10] As a result, QuickBooks cannot be relied upon, among other things, to trace the use of investors' contributions, explain transfers to and from the Receivership Entities or allocate assets and liabilities among the Receivership Entities.

(i.e. when prepared by Class). They only balance when all transactions for all such Receivership Entities are combined.

For many intercompany transfers, QuickBooks records do not describe the purpose of the transaction. This included a general failure to record inter-company liabilities and receivables. For example, when a SP Fund transferred cash to SP Manager for the purpose of purchasing Pre-IPO Shares, the transfer is not generally described in QuickBooks, nor does QuickBooks consistently reflect a liability of SP Manager to the respective SP Fund or an asset of the SP Fund due from SP Manager.

Further, SP Manager did not accrue any fees or other compensation owed from the SP Funds for its role as the fund manager of the SP Funds or amounts due sales agents.[11] These fees were often paid in lump sum, from commingled cash pooled from SP Funds, and the payments were not allocated by Entity in QuickBooks, making it challenging, if not impracticable, to determine which SP Fund owed fees, on what basis and/or the method of calculation.

Information with respect to certain investor distributions are also missing from QuickBooks. QuickBooks generally does not identify the profits recognized by each investor when share distributions were made nor the number of shares that were distributed to investors – while an investor's capital account in QuickBooks was reduced when StraightPath made a cash or share distribution, the profits paid to each investor were not identified in all instances in QuickBooks.

Further, while upwards of $125 million was distributed in cash to the Individual Defendants and sales agents, QuickBooks generally does not provide the purpose for these

[11] Notwithstanding that the Operating Agreement for each SP Fund stated that the SP Fund would enter into an "Investment Management Agreement" with SP Manager and SP Advisor, the Receivership team has not located executed Investment Management Agreements for any of the SP Funds in the Receivership Entities' books and records.

payments (or as noted above, identify the SP Fund obligated or the basis of calculation). QuickBooks only reflected payments to the Individual Defendants without explanation as a "contractor" or "consulting" expense and payments to the sales agents were recorded as "advertising and marketing" expenses or a "contractor" expense.

5. The Receivership Entities' Tax Returns

There are various discrepancies between the 2020 tax returns and the Receivership Entities' QuickBooks. For example, SP Manager's 2020 tax return reflected total income of $26,200,544. However, SP Manager did not record any income for 2020 in QuickBooks.

Similar discrepancies exist with respect to the inventory and assets that were reported in the 2020 tax returns. As explained below, the Receivership Entities transferred funds to SP Manager for the purchase of Pre-IPO Shares. In QuickBooks, for 2020, the Pre-IPO Shares purchased by SP Manager for the benefit of the SP Funds are recorded as SP Manager's inventory. By contrast, SP Manager's 2020 tax return do not report *any* inventory – all inventory is reported by the SP Funds. However, there were no corresponding adjusting journal entries recorded in QuickBooks. This is a serious lapse in the QuickBooks that has both tracing (and potentially other) consequences.

Similarly, and as explained in the Receiver's Second Quarterly Status Report, the Receivership Entities' prior years' Schedule K-1s lacked information showing a link between StraightPath's QuickBooks and information reflected in the 2020 Schedule K-1s for the investors. (Second Quarterly Report, 14-16). Additionally, prior years' Schedule K-1s issued to investors were missing information and/or included inaccurate information.

Because of the various discrepancies in the Receivership Entities' historical tax returns, the information in the historical tax returns could not be relied upon and had to be compared against other sources of information.

6. Other StraightPath Books and Records

Various documents and spreadsheets regarding StraightPath's activities were prepared during the course of StraightPath's business operations. However, as noted, there is no single or centralized spreadsheet or document that annually, or by Series or Fund, completely or accurately tracks investors' contributions, the Receivership Entities' assets, distributions that were made to investors, the fees that were charged by the Receivership Entities, and payments made to the Individual Defendants and sales agents. Here too, there are numerous and significant omissions and inconsistencies.

7. Documents Withheld on Grounds of Privilege

As explained in the Receiver's Prior Reports, the Receivership Order prohibits the Receiver's access to any "documents or communications" unilaterally deemed by the Individual Defendants to "contain[] information that would be protected by the attorney-client privilege or any other privilege held by any of the Receivership Entities." (Receivership Order, 6) (the "***Privilege Provision***").[12]

The Receiver understands that the Individual Defendants continue to withhold numerous documents from the Receiver on grounds that they are subject to the Privilege Provision. As a result of StraightPath's pre-Receivership counsel's work in advising the Receivership Entities on a wide variety of matters prior to the Receivership, including the Receivership Entities' purchase

[12] The Privilege Provision also prohibits the Receiver's access to documents and communications unilaterally deemed by the Individual Defendants to contain "information protected by any personal attorney-client privilege of any of the Individual Defendants."

of Pre-IPO Shares from third parties,[13] the Receiver has reason to believe that documents that have been withheld from the Receiver could be of significance to the Receiver's due diligence and potentially, to the conclusions made in this Interim Report.[14]

B. The Receiver's Preliminary Findings Regarding the Use of Funds

The Receivership Entities raised a total of approximately $395.9 million from investors (including reinvestments). Additionally, StraightPath Entities received approximately $64.2 million from StraightPath brokerage accounts.

Of the total funds that were deposited into the Receivership Entities' bank accounts, approximately $272.1 million was used to purchase Shares in Pre-IPO Companies, more than $75 million was transferred to the Individual Defendants as consulting or contractor fees[15] and, according to the SEC, almost $54 million was paid to sales agents and broker dealers for fees or commissions. Cash distributions of $31.2 million were made to investors and information is being sought from the brokerage firms to determine the amount of share distributions that were made to investors. The analysis of the use of StraightPath's assets is continuing, including, among others, how (i) fees were calculated and charged to investors; (ii) the distributions that were made to investors were determined and calculated; and (iii) the payments that were made to the Individual Defendants and sales agents were calculated, and as to all such topics (i) – (iii), how the amounts were allocated or should be allocated.

[13] The Receiver has been advised that in certain instances StraightPath's pre-Receivership counsel represented both the Receivership Entities and the seller of Pre-IPO Shares with respect to the purchase of Pre-IPO Shares.

[14] On October 14, 2022, the Receiver requested one or more of the Individual Defendants to meet with their counsel and 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 U.S. Attorney's Office for the Southern District of New York, the Individual Defendants will not meet with the Receiver's team even on an informal basis.

[15] In the years 2017-2022, Mr. Martinsen received at least $25.4 million, Mr. Castillero received at least $24.4 million, Ms. Lanaia received at least $24.3 million, and Mr. Lachow received just under $1 million. Certain of the payments to Mr. Lachow were categorized as "fund management" expenses.

III. THE RECEIVER'S PRELIMINARY FINDINGS ON COMMINGLING

Although this Interim Report is preliminary and the Receiver is continuing the Commingling analysis,[16] there are certain initial findings to share. Based on the current state of the analysis, the Receiver has preliminarily determined that:

(1) the contributions of the investors in the Receivership Entities were commingled;

(2) Commingling was continuous during the Relevant Period; and

(3) although it might be possible to trace certain of the Receivership Entities' assets to identifiable investors, given the level of Commingling, it would be cost prohibitive to do so.

Specifically, based on the Analysis, the Receivership team has identified a total of 1,713 interfund transactions across the Receivership Entities' bank accounts during the Relevant Period. Of these, the Analysis focused on approximately 50 multi-step interfund transactions to determine possible Commingling during the Relevant Period.

A. Preliminary Conclusions on Commingling

Based on the Analysis, there can be no doubt that investors' funds were commingled with the funds of other investors. There were several general types of Commingling.

First, investors' contributions towards a specific Series were deposited into accounts that held other investors' funds that had been contributed towards other Series.

Second, investors' contributions were transferred from various SP Funds' accounts to other Receivership Entities' accounts and then used for various purposes, such as (i) purchasing Shares in Pre-IPO Companies, including instances in which the Shares acquired were different than those for which the contributions had been earmarked or (ii) making distributions to other investors.

[16] The Receiver will supplement this Interim Report as appropriate.

Third, commingled contributions were used to make payments to the Individual Defendants and other third parties (e.g., sales agents, broker dealers, and other business vendors) on a combined basis that did not substantiate either the reason for the payment or identify the SP Fund (or Series within an SP Fund) to which the payment should be charged.

1. Investors' Contributions Were Commingled Across Multiple Series Within Each SP Fund

As set forth in the PPM, each Series in an SP Fund was to make a "separate and distinct" investment in a private company or a basket of private companies. When an investor contributed funds for the purpose of investing in a specific Series, the contributed funds were generally deposited into the corresponding SP Fund's bank account. However, separate bank accounts were not maintained for each Series within each SP Fund. Instead, each SP Fund had one bank account and investor contributions across all Series within each SP Fund were deposited into that one account. In those instances when entries related to Pre-IPO investor contributions were recorded in QuickBooks, they were recorded in an inconsistent manner making it difficult to readily identify the proper Series to which the commingled contributions apply.

For example, during the Relevant Period, SPVF 1 received a total of $11,035,430 in cash deposits, which were comprised of contributions related to 19 different Pre-IPO Companies. All of these amounts were deposited on a commingled basis into the one bank account maintained by SPVF 1 without regard to Series or investment purpose. (*see* Figure 1).

Figure 1: Investor Deposits into SPVF 1

Pre-IPO / Fund	23andMe	AirBnB	Automation Anywhere	Eat Just	Flexport	Impossible Foods	Kraken	Lyft	Palantir	Pinterest
SPVF 1	50,000	507,705	385,000	134,000	39,000	673,547	557,500	490,240	4,800,356	525,760

Pre-IPO / Fund	Plaid	Rubrik	Scopely	SoFi	Thoughtspot	Triller	Virgin Hyperloop	Zebra	Zipline	Total Deposits
SPVF 1	503,900	638,900	708,500	140,000	50,000	403,600	148,023	71,900	207,500	11,035,430

2. Investors' Funds Were Commingled Among the SP Funds to Purchase Shares

During the Relevant Period, after investors' contributions were deposited in the bank account of a specific SP Fund, the deposits were then often transferred among bank accounts of the other SP Funds. In all, approximately 130 transfers consisting of a total of $30,596,409 were transferred between and among SP Funds.[17] The transferred funds were used for various purposes, including the purchase of Shares in Pre-IPO Companies.

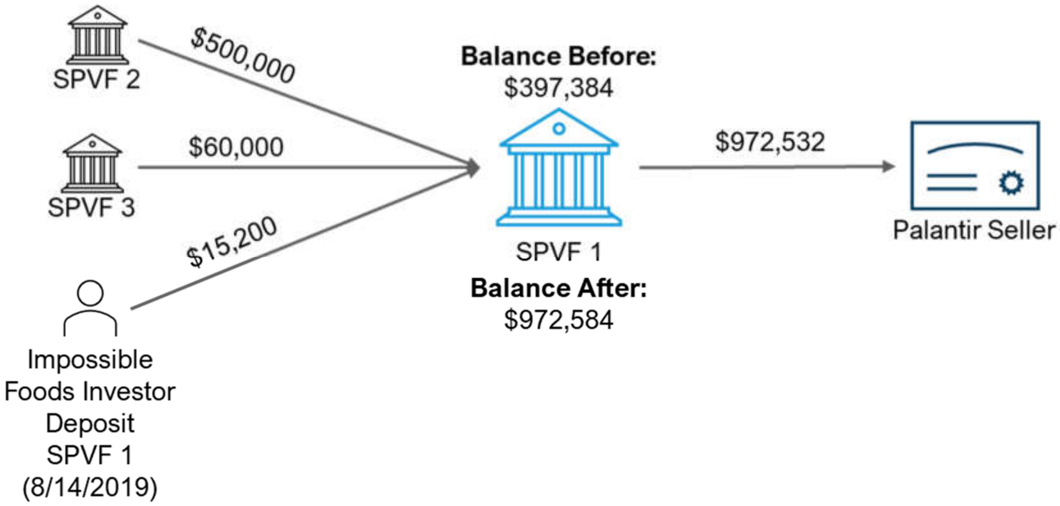
a. Example 1: August 15, 2019 Palantir Purchase

On or around August 15, 2019, SPVF 1 wired approximately $972,532 to a third party for the purchase of Shares of Palantir Technologies Inc., which at the time was a Pre-IPO Company. However, as of August 14, 2019, SPVF 1 only had $397,384 in its bank account, and it needed an additional $575,148 to complete the purchase. On or around August 14, 2019, transfers were made from SPVF 2 and SPVF 3 to SPVF 1 in the amounts of $500,000 and $60,000, respectively. However, SPVF 1 still needed an additional $15,148 to complete the purchase. On August 14, 2019, an investor contributed $15,200 to SPVF 1 to invest in a Series marketed as an investment in Impossible Foods, but instead of using that investor's contribution to purchase Shares of Impossible Foods, that investor's contribution was primarily used to purchase the Shares of Palantir.[18] Figure 2 below is an illustration of these transactions.

[17] In or around February to April 2018, StraightPath changed the bank at which it maintained its bank accounts. The number of transfers and the dollar value of those transfers does not include transfers made between bank accounts under the control of the same SP Fund.

[18] While, as of August 14, 2019, there was a small Surplus in Impossible Foods of 6,037 Shares, shortly thereafter, on August 16, 2019, the Receivership Entities began to have a Shortfall in Impossible Foods Shares that continued through December 18, 2019, reaching a deficit of up to 131,907 Shares, after which time there was a small Surplus for about 18 days, and then swinging back to a Shortfall through June 11, 2020.

Figure 2: August 15, 2019 Purchase of Palantir Investment



Following the purchase of the Palantir Shares, the Receivership Entities recorded the $972,532 acquisition as "Inventory" in the QuickBooks accounts of SPVF 1. Despite SPVF 2 and SPVF 3 transferring a total of $560,000 to SPVF 1 – making it possible to purchase the Palantir Shares – the Palantir Shares acquired with the funds from SPVF 2 and SPVF 3 were not recorded in QuickBooks as inventory of either SPVF 2 and SPVF 3.[19] Moreover, no intercompany receivables or payables were recorded between SPVF 1 and either SPVF 2 or SPVF 3. SPVF 1 did not sell, distribute, or allocate any inventory of Shares to either of SPVF 2 or SPVF 3 and did not execute an intercompany stock purchase agreement to record the transfer for that purpose.[20]

[19] While the PPM (at 1) states that an acquisition of Shares can be held by SP Manager or affiliates "for the sole benefit" of an SP Fund, the failure to properly record the acquisition as the inventory of each SP Fund creates significant hurdles in determining Share ownership.

[20] When Palantir went public, SPVF 3 recorded the distributions to investors as credits to "Inventory – Palantir." Since SPVF 3 never recorded Palantir Shares as its inventory, SPVF 3 had an overall negative ending balance reflected in its "Inventory – Palantir" account. Had SPVF 3 properly accounted for investor deposits that were used to acquire the Palantir Shares as its inventory, SPVF 3's ending balance of its inventory after the distributions would have been zero.

b. Example 2: February 4, 2021 Triller Purchase

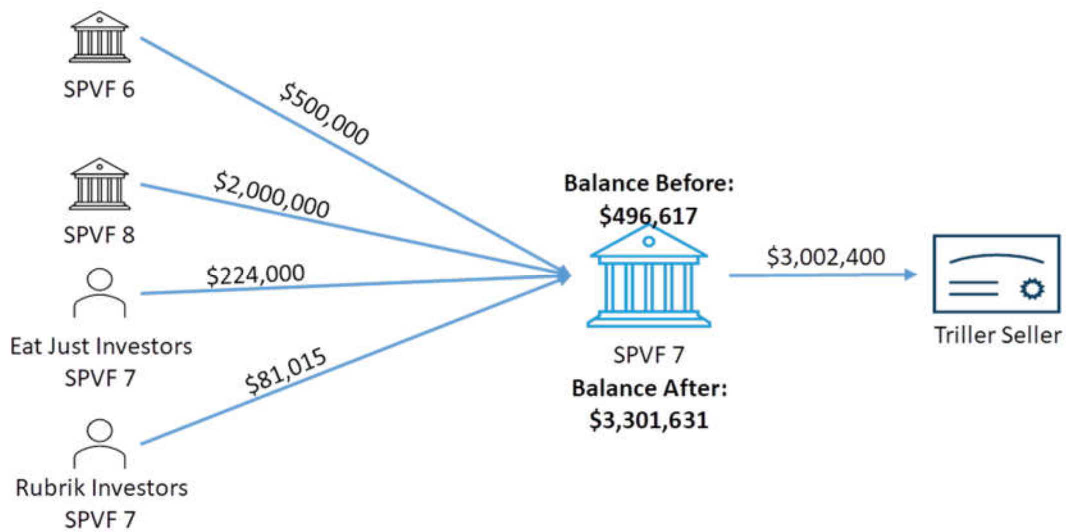
In other instances, the funds transferred from one SP Fund to another were used to purchase Shares in Pre-IPO Companies unrelated to the Pre-IPO Companies earmarked by the Series into which the contributions were made. For example, on February 4, 2021, SPVF 7 wired $3,002,400 to a third party to purchase Shares of "Triller," a Pre-IPO Company. However, SPVF 7 had insufficient funds available to complete the purchase. Accordingly, on or around February 4, 2021, SPVF 6 and SPVF 8 transferred $500,000 and $2,000,000, respectively, to SPVF 7. Notably, as of February 4, 2021, neither SPVF 6 nor SPVF 8 had raised or collected $500,000 or $2,000,000 from investors for the purpose of investing in Triller. Indeed, SPVF 6 had not collected any funds from investors for the purpose of investing in Triller and SPVF 8 had only collected $203,250 with respect to Triller. Rather, as of February 4, 2021, all contributions in the bank account of SPVF 6 and almost 80% of the contributions in the bank account of SPVF 8 consisted of investor contributions earmarked for other Pre-IPO Companies, including Rubrik, which had a Shortfall at the time, and Eat Just, which had a Shortfall at the end of that month (February 2021). By contrast, as of the commencement of the Receivership, there was a Surplus in Triller Shares while there was a Shortfall in both Rubrik and Eat Just Shares.[21]

Moreover, in addition to the non-Triller funds transferred to SPVF 7 from SPVF 6 and SPVF 8, as of February 4, 2021, SPVF 7 itself had received non-Triller contributions (i.e., earmarked by investors for investment in Eat Just and Rubrik), yet those funds were also used for SPVF 7's February 4, 2021 purchase of Triller Shares.

[21] See discussion below at Section IV regarding the Shortfall/Surplus analysis.

The result is that most of the funds used by SPVF 7 to acquire Triller Shares on or about February 4, 2021 were from investor contributions into Series earmarked for investments in other Pre-IPO Companies. Figure 3 below is an illustration of these transactions.

Figure 3: February 4, 2021 Purchase of Triller Investment



Following the purchase of the Triller Shares, SPVF 7's QuickBooks records reflected the $3,002,400 as Triller inventory. Despite SPVF 6 and SPVF 8 collectively transferring $2,500,000 to SPVF 7 – making it possible to purchase the Triller Shares – none of the Triller Shares (or any part of the Triller Shares) were posted as inventory of either SPVF 6 or SPVF 8. In this instance, "Due to/from" payables and receivables were recorded between SPVF 7 and SPVF 6 and SPVF 8. However, the same "Due to/from" payable and receivable accounts were never reduced through repayment of cash or through the transfer of the Triller Shares acquired with the funds remitted by SPVF 6 and SPVF 8.

3. Investors' Contributions Were Commingled Among the SP Funds to Make Returns and Distributions to Investors

Investors' contributions were not only commingled across the SP Funds to purchase assets, they were also commingled across the SP Funds to make distributions or other payments to investors, including investors in other SP Funds.

a. Example 1: Return of Funds to UiPath Investor

On or around March 17, 2021, StraightPath was seeking to return funds to an investor that had invested in one or more Series marketed as an investment in the Pre-IPO Company UiPath. Despite selling more than $25.6 million in interests in the Series related to UiPath to various investors, StraightPath never acquired Shares in UiPath and was forced to return certain such investments.[22] On or around March 17, 2021, SPVF 8 transferred $2,000,000 to an investor to return a portion of the investor's contribution to a Series earmarked for UiPath. However, as of the beginning of March 17, 2021, SPVF 8's bank account only had a balance of $383,317, and it needed an additional $1,616,683 to complete the partial return to the investor.[23] Accordingly, on or around March 17, 2021, SPVF 2 and SPVF 4 transferred $1,500,000 and $300,000, respectively to SPVF 8.

Notably, although SPVF 2 transferred $1,500,000 to SPVF 8 for the return of the UiPath contribution to the investor, through March 17, 2021 SPVF 2 had only raised $353,826 from investors with respect to the UiPath Series, and SPVF 4 had, at most, only $84,925 in UiPath

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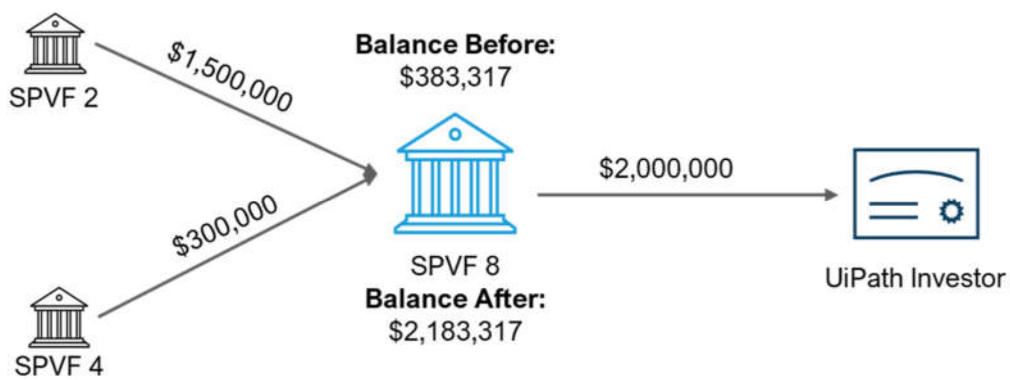
[22] Between January 2021 and March 2021, investor deposits of $25.6 million were received across all Receivership Entity accounts, with SPVF 8 receiving the majority ($17.8 million). To determine the use of these funds across all Receivership Entities' funds would require tracing at least 50 different deposits; however, it appears that SPVF 8 primarily used the funds invested with it for UiPath to acquire Shares in other Pre-IPO Companies. *See e.g.*, footnote 23.

[23] The day before, on March 16, 2021, SPVF 8 transferred $2,300,000 to SP Manager's bank account, which was used to purchase Shares of a Pre-IPO Company Scopely.

investments. Moreover, the UiPath investors in SPVF 2 and SPVF 4 did not include the UiPath investor that received the $2,000,000 from SPVF 8 using the funds from SPVF 2 and SPVF 4.

In this instance, "Due to/from" payables and receivables were recorded between SPVF 8 and SPVF 2 and SPVF 4. However, the same "Due to/from" payable and receivable accounts were never reduced through repayment of cash or the transfer of Shares. Figure 4 below is an illustration of these transactions.

Figure 4: Return of UiPath funds to SPVF 8 investor



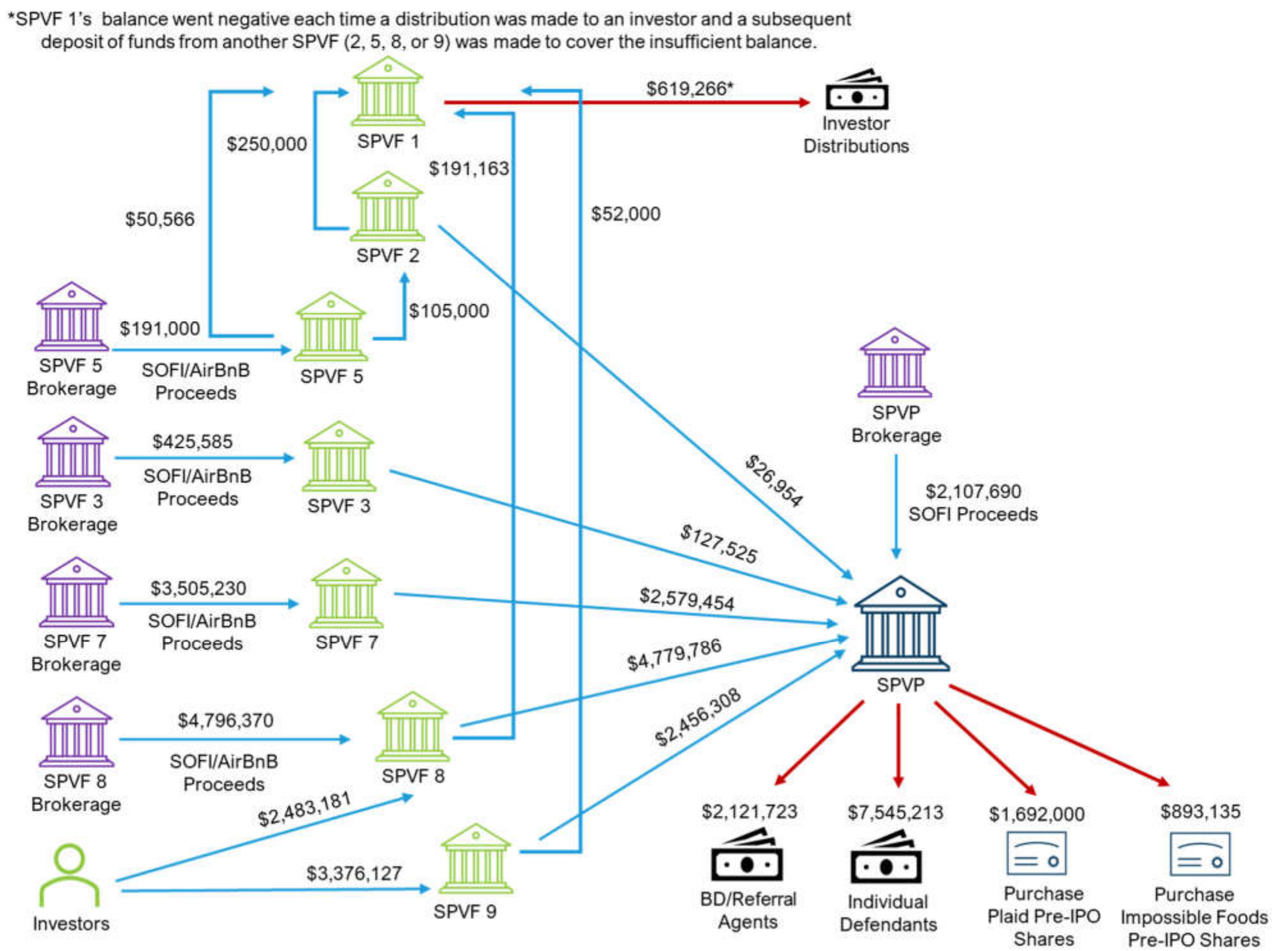
b. Example 2: Distributions to SPVF 1 Airbnb Investors

In August 2021, following Airbnb's public offering, cash distributions were being made to investors in SPVF 1. Between August 11, 2021 and September 3, 2021, SPVF 1 made $619,266 in cash distributions to Airbnb investors. However, on numerous occasions, SPVF 1's bank account had insufficient funds to make required distributions to its Airbnb investors.

To replenish SPVF 1's accounts, other SP Funds transferred funds in the amounts necessary to make distributions to SPVF 1's Airbnb investors. For example, on August 11, 2021, $50,566.93 was transferred from SPVF 5 to SPVF 1 and then SPVF 1 immediately distributed that amount to an SPVF 1 Airbnb investor. The next day, on August 12, 2021, $51,162.70 was transferred from SPVF 8 to SPVF 1 and then SPVF 1 immediately distributed that amount to a SPVF 1 Airbnb investor. Similarly, at the start of August 27, 2021, SPVF 1's account had a negative balance of $51,676.70. (Between August 16, 2021 and September 3, 2021, every distribution that SPVF 1 made to an Airbnb investor resulted in a negative balance in SPVF 1's account.) To avoid a negative balance, on August 27, 2021, SPVF 9 transferred $52,000.00 to SPVF 1. At the time of the transfer, SPVF 9's bank account was primarily comprised of deposits from investors in unrelated Pre-IPO Companies, including Rubrik, Triller, Kraken, Dataminr, Klarna, Zipline, and Automation Anywhere.

Figure 5 below is an illustration of these transactions, along with other interfund transactions that occurred at or around the same time.

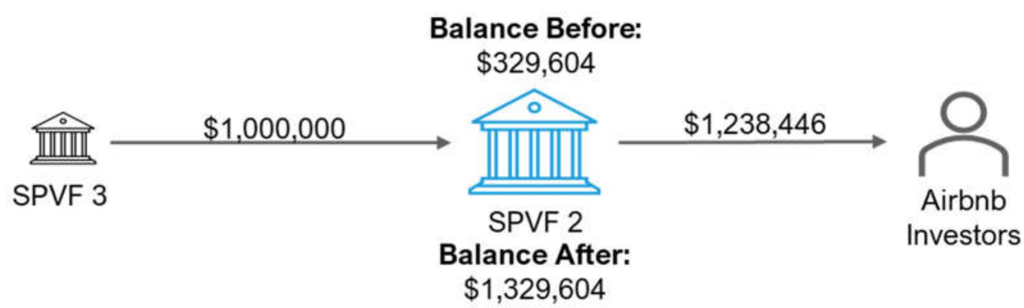
Figure 5: Transactions leading up to distributions to Airbnb SPVF 1 Investors



c. Example 3: Distributions to SPVF 2 Airbnb Investors

Investors also invested in Airbnb through SPVF 2. However, there apparently was insufficient cash in SPVF 2's account to make distributions to them following Airbnb's public offering. As reflected in August 4, 2021 text messages, Mr. Martinsen asked of Mr. Castillero, "***There is only 300k in fund 2. Is that all that's needed for checks?***" Mr. Castillero replied "***No … A lot more***" and stated, "***I'll move some***." On that date, $1,000,000 was moved from SPVF 3 to SPVF 2. Following the deposit of such funds, between August 11, 2021 and September 8, 2021, $1,238,446 was distributed from SPVF 2 to its Airbnb investors. As such, 80% of those distributions were made using funds from a different SP Fund. Nonetheless, the transfer from SPVF 3 to SPVF 2 was not recorded as a receivable or payable between SPVF 2 and SPVF 3, respectively. Figure 6 below is an illustration of this transaction.

Figure 6: August 4, 2021 transfer from SPVF 3 to SPVF 2 to distribute Airbnb proceeds



SPVF 2 should have had sufficient cash to make the necessary distributions. SPVF 2 received $3,135,911 in Airbnb proceeds in mid-July 2021, which would have been sufficient to pay its Airbnb investors. Instead, on July 16 and July 20, 2021, respectively, SPVF 2 transferred $2,675,000 of such proceeds to SP Manager and $300,000 to SPVF 8 without keeping enough funds in SPVF 2's bank account to make distributions to its Airbnb investors.[24]

[24] It is not clear how StraightPath determined the form of distributions to investors, either in cash or stock. On certain occasions investors received distributions of shares while on other occasions they received cash distributions. The Limited Liability Operating Agreement for each SP Fund provides that "Distributions … may be made in cash or, in

4. Investors' Funds Were Commingled Among the SP Funds and SP Manager

During the Relevant Period, funds were frequently transferred from the SP Funds to SP Manager. Approximately 1,454 transfers consisting of a total of $366,586,210 was transferred from the SP Funds' accounts to SP Manager's account. The transferred funds were used for various purposes, including purchasing assets and making transfers to the Individual Defendants. As noted above, the transfers from the SP Funds to SP Manager were generally not recorded in QuickBooks as loans or other transfers for that purpose, and upon the acquisition of Shares by SP Manager, the Shares acquired were recorded as the inventory of SP Manager, not of the applicable SP Fund that was the source of the funds used to make the acquisition. Accordingly, as of June 14, 2022, the date the Receiver was appointed, QuickBooks records $233,647,984 in the inventory account of SP Manager and in the aggregate, *negative* $71,081,380 in the inventory accounts of the SP Funds.[25] See Example 1 below.

Similarly, transfers were made by SP Funds to SP Manager for the payment of fees to the Individual Defendants and sales agents. The Receiver does not take any position at this time over the propriety of these payments, but reserves the right to do so in the future. However, the transactions are important from a Commingling perspective. As noted previously, QuickBooks

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the sole discretion of the Manager, upon not less than ten (10) days prior written notice to the Members, in Marketable Securities…" (Limited Liability Operating Agreement of SP Ventures Fund LLC, Section 4.7.2). However, there is no clear record of how SP Manager exercised its "discretion" in determining how to make distributions. In certain instances, investors were sent cash distribution payments without any explanation of the manner of calculation. At least one investor asked for documentation about the investor's cash distribution. StraightPath's pre-Receivership counsel wrote to the investor stating "[a]s your purchase documents make clear, you were an investor in a private fund, SP Ventures Fund 3, not the underlying stock owned by the fund … As you were not an investor in the underlying stock, Airbnb, owned by the fund, documentation related to the sale of the stock by the fund is not part of the materials provided to you or any other investor."

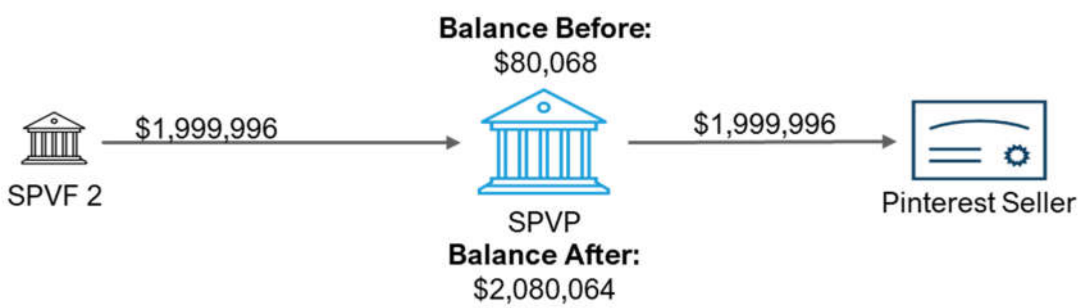
[25] The inventory account balances of the StraightPath Entities are based on the "Class" categorization in QuickBooks. QuickBooks designates $142,500 of "Inventory – Palantir" as "Unspecified" and that inventory is not included in the totals for SP Manager or the SP Funds. Certain returns of Pre-IPO Share purchases (a total of negative $2,306,269) were categorized as "Other current assets" and are included in the total for SP Manager.

neither allocates these payments among the multiple SP Funds nor explains their genesis. See Example 2 below.

a. Example 1: Transfers from SP Funds to SP Manager for Purchase of Shares Without Proper Recording in QuickBooks

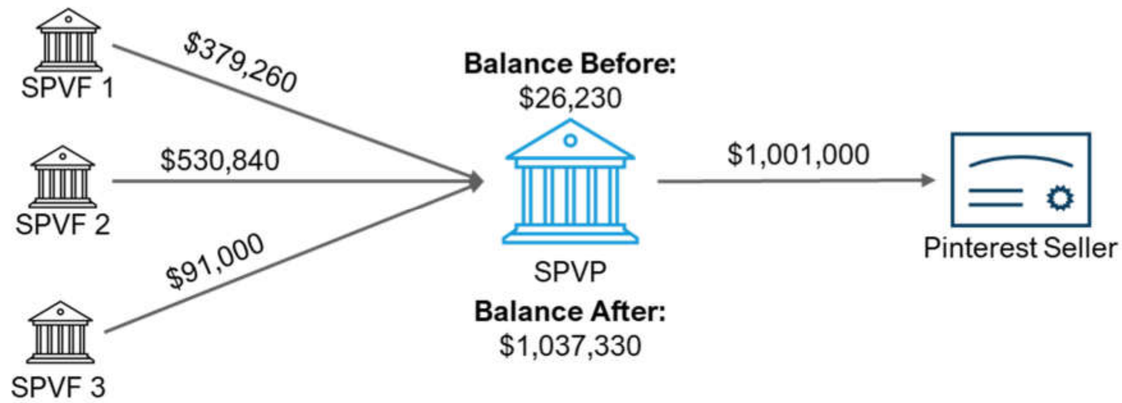
On or around March 1, 2019, SPVF 2 wired $1,999,996 to SP Manager. In turn, SP Manager wired that approximate amount to a third party for the purchase of Shares of Pinterest, which at the time was a Pre-IPO Company. See Figure 7 below for an illustration of this transaction.

Figure 7: March 1, 2019 Purchase of Pinterest Investment



Following the March 1 Pinterest transaction, StraightPath sought to purchase additional Shares of Pinterest. On March 25, 2019, SPVF 1, SPVF 2, and SPVF 3 wired the amounts of $379,260, $530,840, and $91,000, respectively, to SP Manager's bank account, which in turn purchased additional Shares of Pinterest. See Figure 8 below for an illustration of these transactions.

Figure 8: March 25, 2019 Purchase of Pinterest Investment



Although SPVF 1, SPVF 2, and SPVF 3 contributed funds to purchase the Pinterest Shares, the Receivership Entities' QuickBooks categorized the Pinterest Shares as inventory of SP Manager.

b. Example 2: Transfers from SP Funds to SP Manager for the Payment of Fees

As noted, fees were paid to the Individual Defendants and to the sales agents in lump sum, from commingled cash.

For example, as noted above (at page 23), there were insufficient funds in SPVF 2's bank account on August 4, 2021 for it to make required distributions to its Airbnb investors. As a result, other SP Funds transferred their investor contributions so that SPVF 2 had sufficient cash to make the distributions to its investors. However, had SPVF 2 not previously transferred funds from its account to other SP Funds and SP Manager, it would have had sufficient funds for the Airbnb cash distributions.

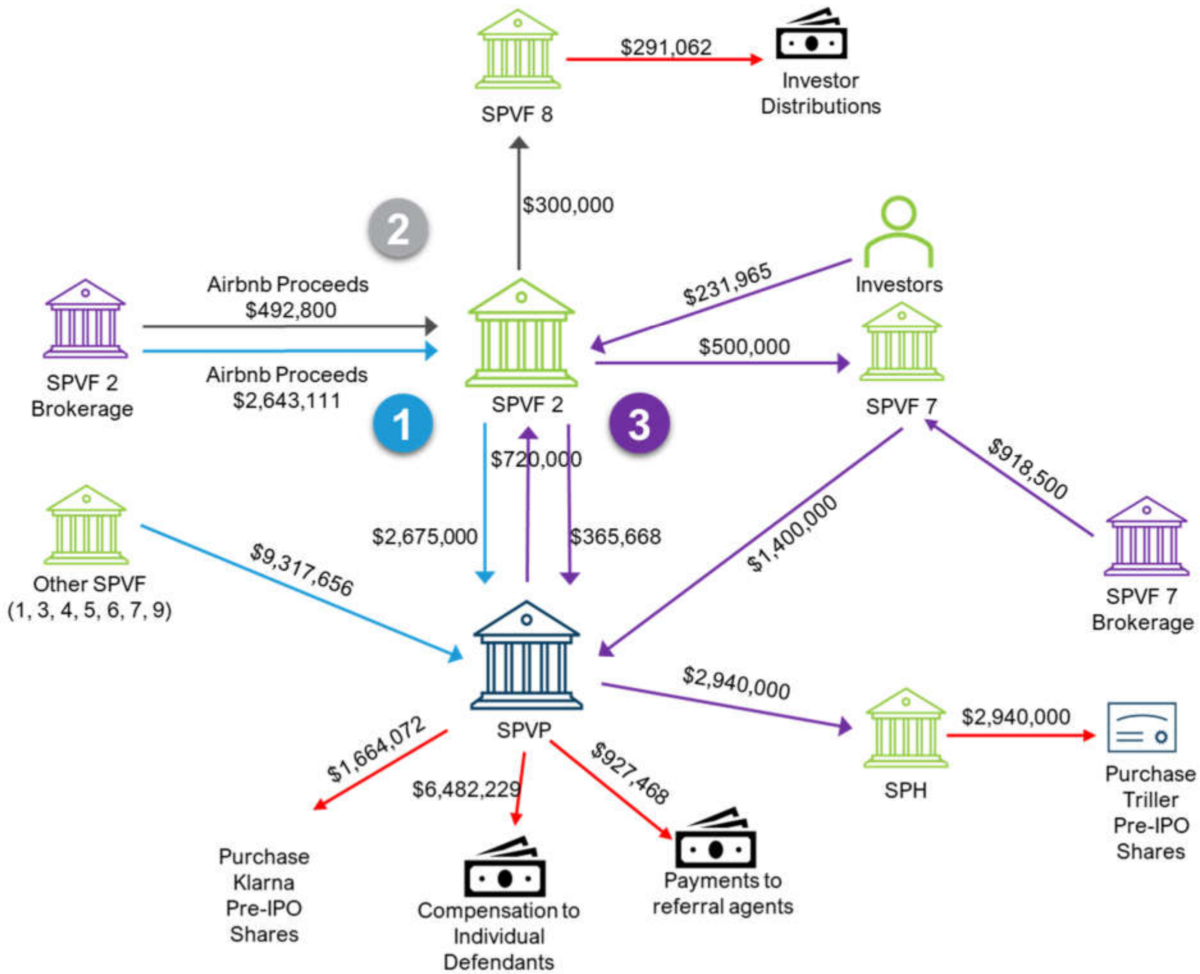
Specifically, between July 14 and 19, 2021, SPVF 2 received proceeds totaling $3,135,911 arising from the sale of 21,614 Shares of Airbnb stock. However, instead of making a distribution to the Airbnb investors in SPVF 2, the majority of those funds ($2,675,000) were transferred on July 16, 2021 to SP Manager.[26]

SPVF 2's transfer of $2,675,000 was one of several transfers that SP Manager received from various SP Funds on or about this time. In addition to the transfer of $2,675,000 from SPVF 2, on July 16, 2021, $9,317,656 in the aggregate had been transferred to SP Manager from each of the other SP Funds (other than SPVF 8). While a portion of those funds ($1,664,072) were used to purchase Pre-IPO assets, $6,482,229 was remitted by SP Manager to the Individual Defendants for what QuickBooks records as consulting fees, and $927,648 was remitted by SP Manager to sales agents for what QuickBooks records as advertising and marketing fees.

These transfers were part of an interconnected series of transactions as set forth in Figure 9 below.

[26] A portion of those funds ($300,000) was also transferred to SP Fund 8.

Figure 9: SPVF 2 bank account activities leading up to August 2021 Airbnb distributions to investors.[27]



B. Tracing the Receivership Entities' Assets to Identifiable Investors is Cost Prohibitive

As reflected by these few examples, the extent of Commingling was extensive. It is not feasible to determine the ultimate use of the funds of all investors' contributions. As stated above, each SP Fund maintained only one bank account, and investors' funds were combined together in these accounts and then transferred to other SP Funds and SP Manager for various purposes, including purchasing assets in unrelated Pre-IPO Companies and making payments to the Individual Defendants. Additionally, investors' funds were not deposited into segregated accounts

[27] Figure 9 is for illustration purposes and does not reflect all transactions made during the period analyzed.

where they remained until they were used for their stated purpose of purchasing shares in specific Pre-IPO Companies. As a result, and because money is fungible, the large turnover and ever-changing balances of the Receivership Entities' bank accounts make it difficult, and highly impracticable, to determine the ultimate use of each investor's funds. This problem is compounded by the state of the Receivership Entities' books and records, including QuickBooks which are incomplete and unreliable.

To undertake a process to reconstruct the use of each dollar contributed by each investor would be cost-prohibitive and it cannot be guaranteed that even that laborious task would be definitive.

IV. SHORTFALL AND SURPLUS OF SHARES IN PRE-IPO COMPANIES

The Analysis involved determining if the number of Shares acquired by the Receivership Entities were equal to, greater than or less than the number of Shares to which the investors were told their contributions corresponded. To determine a Shortfall or Surplus for each Pre-IPO Company, the total number of Shares set forth in the Welcome Letters was subtracted from the total number of Pre-IPO Shares the Receivership Entities acquired.[28] Based on that analysis, it appears that across seven (7) Pre-IPO Companies, a Share Shortfall exists in the amount of 414,214 Shares, which is equal to $16,714,550 (based on the last sale price paid by StraightPath), while a Surplus exists with respect to ten (10) Pre-IPO Companies in the amount of 549,499 Shares, which is equal to $11,652,454 (also based last sale price paid by StraightPath).[29]

[28] The Receivership team has not identified Welcome Letters with respect to cash transactions comprising $174,920 worth of contributions to the Receivership Entities.

[29] The Receiver understands that current pricing for certain or all of the Pre-IPO Shares is less than the last sale price paid by StraightPath. Further, the Shortfall/Surplus analysis includes any Pre-IPO Shares that StraightPath acquired for "its own account" (i.e., proprietary Shares). However, neither QuickBooks nor any other StraightPath books and records turned over to the Receiver confirm the existence of any proprietary Pre-IPO shares. Moreover, the PPMs indicate that StraightPath was permitted to "receive income" generated from the sale of Shares to a SP Fund at a price that is higher than the price paid by StraightPath. The Shortfall/Surplus analysis uses the last price paid by StraightPath, not any greater price at which the Shares were sold to a SP Fund.

A. Analysis of Records Reflecting Investor Contributions

The Analysis included, among other things, reviewing the records of investors' contributions (including reinvestments) by reviewing bank activity details (i.e., incoming wires and check deposits and any related wire/credit notes) and comparing those details against Welcome Letters, subscription agreements, QuickBooks, and email correspondence. Based on the Analysis, and while subject to change,[30] it appears that during the Relevant Period $395,901,668 was contributed by investors into StraightPath for investment into Pre-IPO Companies, as follows.

Table 1: Investor Contributions (Shares and Amount) into Pre-IPO Companies During the Relevant Period[31]

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**

[30] These findings with respect to investor contributions are subject to change following the claims reconciliation process in the Receivership.

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

B. Analysis of Acquisition of Shares in Pre-IPO Companies

In reviewing the acquisition of Pre-IPO Shares, among other things, the Analysis included tracing outgoing bank wires, identifying and reviewing share acquisition documents, the Receivership Entities' QuickBooks, and email correspondence. Through this review, the Analysis identified the number of Shares acquired in each Pre-IPO Company, the price per Share that was paid, and the fees that were paid to the acquisition company when one was used (e.g., broker dealer commissions and finder's fees).

Based on the Analysis, it appears that of $395,901,668 that was contributed by investors into StraightPath for investment into Pre-IPO Companies, StraightPath spent $272,143,367 to acquire Shares in Pre-IPO Companies, as follows:[32]

Table 2: StraightPath Pre-IPO Company Investments During the Relevant Period ($)

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%*

[32] The amounts reflect total purchase prices, net of any referral fees paid to brokers/dealers and other intermediaries.

Additionally, based on the Analysis, the Receiver has preliminarily concluded that StraightPath Entities acquired the following Shares in Pre-IPO Companies:

Table 3: StraightPath Pre-IPO Company Investments (Shares) During the Relevant Period[33]

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**
% of Total		*72.6%*	*6.7%*	*4.9%*	*0.9%*	*9.8%*	*5.1%*	*100.0%*

C. Shortfall/Surplus in Pre-IPO Shares[34]

Based on the Analysis, the Receiver has preliminarily concluded that across seven (7) Pre-IPO Companies, a Share Shortfall exists in the amount of 414,214 Shares equal to $16,714,550, based on the last share acquisition price paid by StraightPath for such Pre-IPO Company Shares.[35] A Shortfall or Surplus in the number of Shares was calculated for each Pre-IPO Company by

[33] 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.

[34] Based on the Analysis, the Receivership team was unable to attribute $174,920 of investor contributions to a specific Pre-IPO Company.

[35] The last investor contribution was made on March 7, 2022.

subtracting the total number of Shares set forth in the investors' Welcome Letters from the total number of Pre-IPO Shares the Receivership Entities acquired. Additionally, the dollar value of the Shortfall or Surplus for each Pre-IPO Company was calculated by multiplying the number of Shortfall or Surplus Shares for that specific company by the last purchase price that StraightPath purchased Shares with respect to the applicable Pre-IPO Company.

Below is a table reflecting the Analysis of the Shortfall and Surplus in Pre-IPO Shares.

Table 4: Shortfall/Surplus Analysis

Pre-IPO Company	Stage	Share Acquisition	Shares to Investors	Surplus/ (Shortfall) in Shares	Pre-IPO Shortfall	Last Purchase Price	Pre-IPO Surplus/ (Shortfall)
23andMe	IPO	41,625	31,107	10,518			
AirBnB	IPO	116,096	115,506	590			
Automation Anywhere	Pre-IPO	248,375	314,259	(65,884)	YES	$ 34.00	$ (2,240,047)
Blend	IPO	150,833	-	150,833			
Chime	Pre-IPO	26,538	26,025	513		60.00	30,792
Dataminr	Pre-IPO	125,000	88,403	36,597		42.00	1,537,067
Eat Just	Pre-IPO	517,574	592,038	(74,464)	YES	23.30	(1,735,003)
Flexport	Pre-IPO	75,000	71,868	3,132		13.00	40,714
GRAB	IPO	1,436,108	1,438,849	(2,741)			
Impossible Foods	Pre-IPO	1,506,338	1,551,470	(45,132)	YES	36.75	(1,658,603)
Klarna	Pre-IPO	6,962	6,353	609		1,752.25	1,067,691
Kraken	Pre-IPO	273,000	362,823	(89,823)	YES	55.00	(4,940,271)
Lyft	IPO	58,478	58,077	401			
Palantir	IPO	6,495,042	6,517,513	(22,471)			
Pinterest	IPO	668,280	662,007	6,273			
Plaid	Pre-IPO	20,150	17,854	2,296		970.00	2,226,913
Rubrik	Pre-IPO	974,311	1,063,301	(88,990)	YES	39.60	(3,524,005)
Scopely	Pre-IPO	332,278	378,845	(46,567)	YES	56.00	(2,607,729)
SoFi	IPO	1,062,818	1,003,593	59,225			
SpaceX	Pre-IPO	4,229	4,191	38		270.00	10,155
Thoughtspot	Pre-IPO	115,307	113,812	1,495		19.00	28,406
Triller	Pre-IPO	3,581,038	3,242,012	339,026		9.29	3,149,556
Virgin Hyperloop	Pre-IPO	75,507	78,862	(3,355)	YES	2.65	(8,892)
Zebra	Pre-IPO	506,524	403,249	103,274		13.90	1,435,515
Zipline	Pre-IPO	194,029	131,510	62,519		34.00	2,125,646
Total		18,611,440	18,273,527	337,913			$ (5,062,096)
Total: Pre-IPO Companies w/ Surplus		4,654,777	4,105,277	549,499			$ 11,652,453
Total: Pre-IPO Companies w/ Shortfall		3,927,383	4,341,598	(414,214)			$ (16,714,550)

V. QUESTIONS AND ANSWERS

1. I invested in a Series with respect to a Pre-IPO Company that is not identified as having a Shortfall. Shouldn't I receive all my shares or cash without considering the other Series or Pre-IPO Companies?

Based on the Receiver's preliminary findings with respect to Commingling, investors in the Series related to the Pre-IPO Companies with a Surplus are primarily in that position because of chance. The Receiver has preliminarily concluded that investors in Series related to Pre-IPO Companies with a Shortfall are most likely in that position because certain of their contributions were used for purposes other than purchasing Pre-IPO Shares related to the Series in which they invested. The Receiver will take these factors into consideration when she proposes a Plan to ensure that all investors are treated equitably.

2. Will the Receiver use the approximately $14 million in Escrow Funds to go out into the market and purchase additional Pre-IPO Shares?

The Receiver is still considering this question. However, the Receiver has decided not to use the Escrow Funds to purchase additional Pre-IPO Shares at this time for several reasons. First, as a fiduciary, the Receiver does not believe that it is appropriate to use Receivership Assets to take risks in a volatile market by investing in highly speculative and illiquid assets. Second, it is not clear when, if ever, the Pre-IPO Companies subject to the Share Shortfall will go public or have a liquidity event. There might be legal restrictions against the distribution of Shares before the Pre-IPO Companies go public. Accordingly, the Receivership estate could potentially remain open for years. The Receiver does not believe it is beneficial to the estate to have an investment horizon that could span years. Third, the investors in each Series only own an interest in one of the SP Funds, not the underlying shares of the Pre-IPO Companies, and accordingly, purchasing additional Pre-IPO Shares will only guarantee that investors must take on additional risk, not that they will receive a 100% return of their capital contributions or receive the Shares they "bargained for." Fourth, the Receiver does not have reason to believe that all investors want to continue to take risks by using cash to invest in speculative assets, rather than have the cash used for other purposes, including potentially making an interim distribution to investors in cash. Fifth, the Receiver does not believe that all investors in the Series subject to the Share Shortfall are "accredited investors," as that term is defined 17 C.F.R. § 230.501(a), and thus the Receiver does not believe these investors are qualified to take the additional risk. Sixth, if investors want to continue to take risks by investing in speculative assets, they can use future distributions made from the Receivership to take those risks. However, these issues will be more fully developed in the Plan that the Receiver will propose.

VI. CONCLUSION

The Receiver has preliminarily concluded that

(1) investors' funds were commingled and used for various purposes, and it would not be feasible to attempt to trace commingled assets of the Receivership Entities to an individual investor; and

(2) across seven (7) Pre-IPO Companies, a Share Shortfall exists in the amount of 414,214 Shares and a Share Surplus exists in the amount of 549,499 Shares.

The Receiver will continue to work towards taking steps necessary to propose a Plan that considers these preliminary findings and will issue further reports as necessary and as required by the Receivership Order.

Dated: New York, New York
January 6, 2023

OTTERBOURG P.C.

By: *<u>/s/ Erik B. Weinick</u>*
Erik B. Weinick
Michael A. Pantzer

230 Park Avenue
New York, NY 10169
(212) 661-9100
Email: eweinick@otterbourg.com

Attorneys for Melanie L. Cyganowski, as Receiver