

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

**COMMODITY FUTURES TRADING
COMMISSION,**

Plaintiff,

-against-

**EDDY ALEXANDRE and
EMINIFX, INC.,**

Defendants.

22 Civ. 3822 (VEC)

2023 ANNUAL REPORT OF RECEIVER DAVID A. CASTLEMAN

(SEVENTH STATUS REPORT)

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January 26, 2024

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David A. Castleman (the “**Receiver**”), as Receiver pursuant to the Consent Preliminary Injunction (the “**Consent Order**”), entered by this Court in this action (the “**Civil Action**”) on June 15, 2022 [Dkt. 56], files this Seventh Status Report (the “**Report**”) to apprise the Court of the activities of the receivership (the “**Receivership**”) for the 2023 calendar year (the “**Annual Period**”), with a detailed focus on the period from October 1, 2023 through and including December 31, 2023 (the “**Fourth Quarter 2023**”).¹

I. INTRODUCTION

The Receivership began 2023 with a focus on continuing to recover and administer assets, and on constructing a complete financial picture of EminiFX, Inc. (“**EminiFX**”). Those efforts largely culminated in the Second Quarter 2023, with (i) the completion of converting all risky assets—primarily consisting of digital assets—to cash, earning interest in safe high-yield bank accounts, and (ii) with the filing of the Financial Condition Report [Dkt. 199] in May 2023. During the Third Quarter, simultaneous with the resolution of the criminal case against Eddy Alexandre, the Receiver and his team pivoted to a transaction verification and claims resolution process, with the goal of fixing the tens of thousands of EminiFX user claims based on individuals or entities who deposited funds with EminiFX for investment purposes (otherwise referred to as “**users**” in this Report), as well as allowing non-users to submit any claims they may have in the Receivership.

The Receiver continued those efforts during the Fourth Quarter 2023, further implementing the Court-approved process to determine the universe of persons who may be entitled to a distribution from the EminiFX receivership estate. During the early stages of the Receivership,

¹ The Receiver already reported on certain Fourth Quarter 2023 activities in the Third Quarter 2023 Report of Receiver David A. Castleman [Dkt. 234], which was filed on October 27, 2023. For the sake of continuity and clarity, this Report may include descriptions by the Receiver of activities that occurred prior to the filing of this report but after the close of the Fourth Quarter 2023.

the Receiver and his team dedicated significant resources and time to reviewing the records available to him so that he could identify transactions (deposits and withdrawals) made by users to and from the EminiFX system. These efforts proved to be very successful, identifying 112,467 transactions. There were, however, still a significant number of deposits that the Receiver was unable to attribute to specific users. Accordingly, to obtain as complete a record as possible of all contributions and withdrawals, including the matching of any contributions with unknown users, the Receiver launched a transaction verification process during the Third Quarter 2023.

As part of the approved procedures, the Receiver launched an online portal (the “**Portal**”), available to each user free of charge, that allows EminiFX users to verify, update and/or add their EminiFX transactions, in accordance with the Court-approved procedures (the “**Procedures**”) [Dkt. 228]. During the Fourth Quarter 2023, the Receiver began the review of the users’ submissions. While most of the automated tasks regarding the Procedures have been completed and most users verified all their transactions—likely saving the Receiver and his professionals thousands of hours, and the Receivership millions of dollars—the Receiver must now undertake a manual review of the user submissions, which will take some time to complete. The information that is obtained through the Procedures will be used to determine the universe of contributions and withdrawals into and out of the EminiFX system, which will then provide the basis for determining the allowed claims of users. To ensure that all users have an opportunity to submit their transactions via the Portal, the Receiver has extended the deadline to February 26, 2024 for users to review their transactions and either verify or provide updates.

To engage users in the transaction submission process, during the Third and Fourth Quarters of 2023, the Receiver undertook an extensive educational campaign, including sending informational emails to users, updating the Receivership website, creating a FAQ section focused

on the Portal and claims process, engaging with community groups, creating a YouTube page² that contains how-to videos, hosting two “live stream” town halls on YouTube that have been viewed over 14,000 times, and staffing a call center that has received over 6,000 calls and emails during the Fourth Quarter 2023. All of the content of these channels of communication are available in the languages of Haitian Creole and French. The Receiver is continuing to engage in outreach efforts, including working with leaders in the Haitian diaspora to tailor Receivership communications to the Haitian community and non-English speakers.

The Portal went live on September 12, 2023. The Receiver is pleased to report that there has been significant user interaction with the Portal since its inception. The following provides a summary of the user data as of December 31, 2023:

Users Verifying All Transactions	17,549
Users Disputing/Adding Transactions	4,022
Total Users Submitting Transactions	21,571
Transactions Verified	72,673
Amount of Deposits Verified	\$186,501,316
Amount of Withdrawals Verified	\$14,698,062

Part IV below provides additional data on the number of users that have interacted with the Portal, submitted transactions for review by the Receiver and of those, the number of transactions that have been verified.

The Procedures also provide a process for non-user claimants to submit proofs of claim (each a “**Proof of Claim**”). During the Fourth Quarter 2023, the Receiver reviewed the Proofs of Claim that were submitted by the applicable bar dates, communicated with the respective claimants, and resolved three Proofs of Claim by entering into settlement agreements in accordance with the Receiver’s authority to settle claims under \$50,000 [Dkt. 91]. A fourth such

² See <https://www.eminifxreceivership.com>; <https://www.youtube.com/@EminiFXReceiver>.

claim was resolved in January 2024 [Dkt. 249]. The Receiver is continuing to communicate with claimants in an effort to consensually resolve most of the remaining the Proofs of Claim, all of which exceed the \$50,000 settlement threshold and may be the subject of later motion to the Court.

During the Fourth Quarter 2023, the Receivership earned around \$1.2 million in interest on its high-yield accounts and incurred expenses of around \$1.2 million, largely comprising Court-approved professional fees and expenses.³ Additionally, the Receivership paid \$16,375 to resolve certain non-user claims, as set forth above. For the calendar year 2023, the Receivership earned nearly \$4.2 million in interest, and recovered an additional \$102,000 in funds from third parties, for total inflows of \$4.3 million. The Receivership incurred about \$3.7 million in expenses for the 2023 calendar year, including Fourth Quarter 2023 professional fees and expenses that will be the subject of the forthcoming fee application. The net income to the Receivership for the calendar year 2023 was just over \$600,000.

At the end of 2023, the Receivership had over \$154 million in cash on hand and no other material assets. A full ledger of the Receivership cash transactions for the calendar year 2023 is attached as Exhibit 1. The tables attached as Exhibit 2 show the balance sheet, income statement, and cash flows for the Receivership for the Fourth Quarter and calendar year 2023.⁴

As previously reported, on February 10, 2023, Alexandre pleaded guilty to one count of commodities fraud in the parallel criminal action, arising from similar conduct as alleged in the Civil Action, *United States v. Alexandre*, No. 22 Cr. 326 (S.D.N.Y.) (the “**Criminal Action**”).

³ The Receiver continued to maintain the Alexandre Assets (as defined in the Consent Order) in a segregated account as required by the Consent Order. The Receiver expects to resolve the Alexandre Assets funds in the First Quarter 2024. These summary totals are for the entire Receivership.

⁴ These financial statements are illustrative and are not intended to be in accordance with generally accepted accounting principles (GAAP), nor are they intended to be used in connection with determining the taxable income (if any) of the Receivership. Nevertheless, the Receiver includes these statements to provide the Court and other interested parties a high-level overview of the financial condition of the Receivership during the Fourth Quarter 2023 or the 2023 calendar year, as applicable.

Alexandre's sentencing in the Criminal Action occurred on July 18, 2023. Alexandre surrendered to begin his term of incarceration on or about August 28, 2023. During the Fourth Quarter 2023, the Receiver coordinated with counsel for the CFTC and Alexandre concerning resolution of the Civil Action. As reported to the Court by the CFTC on December 18, 2023 [Dkt. 241], the parties reached an agreement in principle on a consent order that, if entered, would resolve the Civil Action. The CFTC requested that the Court allow it time, through February 16, 2024, to obtain approval from the CFTC and file the agreed consent order.

Following Alexandre's sentencing, on July 20, 2023, the Court lifted the stay in this case [Dkt. 213]. Following the lifting of the stay, the Receiver began issuing subpoenas to certain parties, and undertaking other discovery requests, in an effort to gather information regarding EminiFX. These efforts are ongoing and the Receiver expects to continue conducting his investigations to determine whether any actions against third parties are warranted.

II. PROCEDURAL HISTORY

On May 11, 2022, the CFTC filed the Complaint [Dkt. 5] and a motion for an *ex parte* Statutory Restraining Order [Dkt. 6], which the Court granted on the same day, appointing the Receiver initially as Temporary Receiver [Dkt. 9]. Also on May 11, the United States Attorney's Office for the Southern District of New York ("USAO") filed the Criminal Action. On June 15, the Court entered the Consent Order that appointed the Receiver [Dkt. 56]. Additional procedural history is set forth in detail in the six prior status reports [Dkts. 71, 163, 192, 195, 218, 234].

In January 2023, the Court approved the Receiver's proposed Digital Asset Management Protocol [Dkt. 184], which set forth a procedure for the liquidation of the Receivership's digital assets so that the Receivership's assets could be converted to cash and maintained in safe, high-yield bank accounts. The liquidation of that portfolio was completed in April 2023.

In February 2023, the Receiver filed an application to substitute Otterbourg P.C. for Raines Feldman LLP as counsel [Dkt. 186], and in June 2023, the Receiver filed an application to retain Deloitte Tax LLP as special tax advisor [Dkt. 208]. Those applications were each granted by the Court shortly thereafter [Dkts. 187, 209].

In May 2023, the Receiver and his financial advisor, JS Held, filed a Financial Condition Report which detailed the pre-receivership financial activity of EminiFX [Dkt. 199].

In August 2023, the Receiver and his counsel, Otterbourg P.C., filed a motion for entry of an order approving procedures for EminiFX users to verify their contributions and withdrawals, and for non-users to file a claim [Dkt. 223]. That motion was granted later in August [Dkt. 228], and the Receiver and his team have been processing those submissions, as detailed below.

In the lifting of the stay in this matter on August 2, 2023, the Court ordered that the Defendants respond to the Complaint by September 18, 2023 [Dkt. 222], which was further extended by multiple Orders of the Court to February 16, 2024 [Dkts. 230, 233, 239, 243].

On October 30, 2023, the Receiver filed an application for fees and expenses incurred in the Third Quarter 2023 [Dkt. 235], which was granted on November 15, 2023 [Dkt. 237]. Prior applications for fees and expenses had been filed and granted in 2023 [Dkts. 185 (granting Dkt. 178, filed in 2022); 191 (granting Dkt. 188); 198 (granting Dkt. 196); 227 (granting Dkt. 219)].

On December 14, 2023, a group of individuals, which identified themselves as investors in EminiFX, filed a letter motion to intervene in the Civil Action [Dkt. 240], which the Court denied without prejudice by an Order dated December 18, 2023 [Dkt. 242].⁵ A prior motion to intervene

⁵ In January 2024, those same intervenors filed a motion pro se [Dkt. 246], and the Receiver filed a response explaining the various methods available for EminiFX users to communicate with the Receivership [Dkt. 250].

by counsel for a proposed class of EminiFX investors in an action pending in Florida had been filed in June 2023 [Dkt. 203], but was withdrawn later that month [Dkts. 210, 211].

On December 26, 2023, the Receiver filed an application [Dkt. 244] for supplemental authority to pay the following expenses: (1) the filing fee charged by the Internal Revenue Service (“**IRS**”) for a closing agreement, which fee is currently set at \$38,000; and (2) additional funds of up to \$50,000 to provide supplemental public notice and informational campaign regarding the Portal. That application was granted on January 5, 2024 [Dkt. 245].

III. RECEIVERSHIP FINANCES

As noted in the Financial Condition Report [Dkt. 199], the Receiver believes that all material EminiFX assets have been turned over to the Receivership, subject to any right to pursue claims against third parties as appropriate. As reported in the Status Report for the Second Quarter 2023 [Dkt. 218], all of the Receivership digital assets have been liquidated, resulting in total net proceeds of over \$90 million. If any additional assets come to light as a result of the Receiver’s investigation, the Receiver will evaluate any such situation and act or seek relief accordingly.

In the Fourth Quarter 2023, the Receivership earned \$1,205,384 in interest (including \$76,337 in Alexandre Assets), and spent \$1,191,118 in cash for expenses, which included: (i) Court approved professional fees and expenses of \$1,190,015 for work performed in the Third Quarter 2023 [Dkt. 237]; (ii) rent expenses of \$594; and (iii) miscellaneous expenses of \$510. Additionally, the Receivership spent \$16,375 to resolve three non-user Proofs of Claim. The total cash position of the Receivership as of December 31, 2023 was \$154,140,275, including \$9,369,734 maintained separately in the Alexandre Assets account (which the Receiver anticipates being resolved in the First Quarter 2024), but excluding \$76,709 maintained separately as a payroll reserve [Dkt. 42].

The estimated fees and expenses for the Receiver and his professional firms that have been incurred during the Fourth Quarter 2023 total \$1,206,809, pending review and approval by the CFTC and the Court pursuant to the Employment Order [Dkt. 47]. These fees reflect the considerable activity in this case during the Fourth Quarter 2023, largely related to management of the user transaction verification and review process, as set forth herein. The Receiver expects to file a separate application to seek authority to pay such fees and expenses in the first half of February.⁶

For the 2023 calendar year, the cash position of the Receivership substantially increased, from just under \$63 million to over \$154.1 million, including Alexandre Assets but excluding payroll reserves, for a total increase of over \$91.1 million. Most of that increase (\$90.1 million) was due to the sale of the Receivership's digital assets [Dkt. 184], and over \$1 million of the increase was due to Receivership activities. *See* Exhibit 2 (statement of cash flows).

At the end of 2023, recoveries and interest income covered all expenses incurred thus far, as the \$154.1 million in cash under management exceeds the \$151.3 million in turned over assets (cash plus liquidation value) by nearly \$3 million. Moreover, largely due to the appreciation of the Receivership's digital assets between the end of 2022 and liquidation, but also due to interest income on the resulting cash, the total net value of the Receivership increased from \$123.3 million to \$152.9 million, an increase of \$29.6 million. *See* Exhibit 2 (balance sheet).

The financial statements attached as Exhibit 2 show the post-appointment balance sheet, income statement, and cash flows for the Receivership during the calendar year 2023, including the Fourth Quarter. As noted above, these financial statements are illustrative and are not intended

⁶ The Receiver expects to include in that application a request to reimburse expenses of \$5,475 incurred in the Third Quarter but not included in that fee application.

to be in accordance with generally accepted accounting principles (GAAP), nor are they intended to be used in connection with determining the taxable income (if any) of the Receivership or EminiFX. The Receiver includes these statements to give the Court and other interested parties a high-level overview of the financial condition of the Receivership.

IV. EMINIFX USER TRANSACTIONS AND CLAIMS

A. *Background and Forensic Analysis*

EminiFX purported to be a multi-level “investment club” that received over \$260 million in contributions from at least 25,000 users.⁷ EminiFX users accessed the platform via an online dashboard (the “**Dashboard**”) and created accounts (“**User Accounts**”) through which they could contribute funds. The Dashboard represented to users that they accrued a fixed weekly return on the pooled holdings between 5.00% and 9.99% per week (the “**ROI**”) and certain users accrued bonuses, including those related to the recruitment of other users. EminiFX also satisfied requests from certain users to withdraw funds from EminiFX, which could and did sometimes include accrued ROI and bonuses. The User Accounts were maintained in an EminiFX MySQL database (the “**Database**”), which was recovered by the Receiver. The Database contained records related to EminiFX users’ contributions, withdrawals, as well as detailed records of the weekly accrual of the ROI and bonuses shown on the Dashboard.

Although the Receiver was able to recover a substantial number of records from EminiFX (including the Database) and from certain third parties (largely financial institutions where EminiFX maintained accounts), there were significant deficiencies in the maintenance of records. Significantly, the Receiver and his team have found no evidence of any regularly issued user

⁷ There are potentially tens of thousands of additional users, although many of these users have no contributions, withdrawals or other activity attributed to their EminiFX User Accounts.

account statements outside of the Database or even a general ledger of any kind. The Receiver and his team undertook a detailed forensic investigation to be able to report on the financial condition of EminiFX, as set forth in the Financial Condition Report, filed on May 16, 2023 [Dkt. 199], and to also enable the Receiver to initiate a claims process by piecing together the record of contributions made to and withdrawals made from the EminiFX system and to identify User Accounts that may have been created, but no contribution or withdrawal identified.

The Database contained a substantial amount of information deemed reliable that assisted the Receiver in attributing most transactions to specific users or purposes. The Receiver and his team also obtained bank account statements, brokerage statements, and cryptocurrency data from the various financial institutions, which the Receiver considers to be the best and most reliable evidence that a specific transaction had actually occurred.

Combining the various bank and cryptocurrency financial data with records from the Database allowed the Receiver and his team to construct a ledger with sufficient reliability to assess the overall financial condition of EminiFX on a weekly basis to coincide with the ROI schedule and to ascertain contributions and withdrawals made to and from EminiFX User Accounts. The Receiver and his team were able to attribute 92% of the cryptocurrency contributions, 85% of the cash contributions, and 95% of the cryptocurrency withdrawals, by dollar amount.⁸ However, certain transactions were often not attributable to specific users, especially with respect to the thousands of individual cash contributions.

B. *Transaction Verification and Claims Process*

To determine the users that may be entitled to an eventual distribution, and to establish bar dates and procedures to determine the identity of non-users and the amount of their non-user

⁸ The Receiver and his team were able to attribute 99.8% of cryptocurrency withdrawals by transaction count.

claims, on August 10, 2023, the Receiver filed a motion seeking the approval of the Procedures for the verification of user transactions, the establishment of bar dates for non-users to assert claims, and a review process for each.⁹ On August 29, 2023, the Court approved the Procedures [Dkt. 228] and the Receiver implemented the process by which users can validate their net contributions to EminiFX using the Portal. The Procedures also provide a process for claimants, who have a claim against EminiFX not based on their status as a user, to complete and serve a Proof of Claim. In accordance with the Procedures, on December 14, 2023, the Receiver modified the Procedures, which the Receiver determined did not require Court approval, and posted a notice of the modification to the Procedures on the Receivership website (“**Procedures Notice**”).¹⁰ As described in the Procedures Notice, the Receiver made the following two changes to the Procedures (blue text has been added):

- Page 3, Section 1, Paragraph HH: “Verified Transaction” means a Transaction on the Transaction Log: (i) that has, *subject to the Receiver’s review*, been verified by the User, (ii) for which the User failed to verify on or before to the User Verification Date, or (iii) which the Receiver, in his reasonable judgment, is satisfied that a User Update is supported by information known to the Receiver, including information which may be provided by the User in support of the User Update.
- Page 5, Section 2, Paragraph B (iv): If a User verifies a Transaction, that Transaction becomes a Verified Transaction.; *provided that, if the Receiver in his review identifies a potential error in the Verified Transaction, the Transaction may become a Disputed Transaction, and the Receiver shall provide notice of such to*

⁹ The Procedures may be amended from time to time in the judgment of the Receiver, with updates posted on the Website, reports on any changes included in each Regular Quarterly report to the Court, and leave from the Court sought for changes the Receiver deems to be sufficiently material to require further approval.

¹⁰ See <http://tinyurl.com/yc2ts5fp>.

the User with an opportunity to verify the updated Transaction information or provide a User Update.

The Procedures are intended to set forth a process that can be followed easily by users while affording the Receiver flexibility to review and work with users to verify transactions. Critically, the Procedures and the Portal have been designed to ease, as much as possible, the burden on the vast majority of individual users. At the same time, given the substantial number of users, the Procedures and the Portal are also designed to allow the transaction verification process to scale so that the entire process can be completed in less time and at far less cost than a traditional claim process whereby users are responsible for submitting their own documentation for each transaction, which must be then verified. Based on the responses received to date, it is clear that a traditional process would have taken thousands of additional hours and cost millions of additional dollars, as compared to the process set forth in the Procedures and using the Portal.

The vast majority of users—over 17,000—who logged onto the Portal were able to verify all the transactions shown on the Portal, and hit submit, without any further or additional burden to the user or the Receiver’s team. While the vast majority of users have verified their transactions, the Receiver must now manually review the transactions that users added or disputed in the Portal. This is a time-consuming process, which the Receiver is seeking to undertake as efficiently as possible, and the Receiver will make every effort to work with the users to understand the dispute and come to a resolution, to the extent possible.

C. EminiFX User Portal

One of the key elements of the Procedures is the online EminiFX user Portal developed by the Receiver. The Portal is available to all EminiFX users, free of charge. EminiFX users, known to the Receiver, were sent an email to the email address associated with their EminiFX account,

which prompted the user to create an account on the Portal. The Portal displays the actual cash and Bitcoin deposits and withdrawals associated with each User Account. The Procedures provide an opportunity for EminiFX users to review the transactions attributed to their account and provide additional information within prescribed parameters.

There has been significant user interaction with the Portal during the Third and Fourth Quarters 2023. The following is a summary of the user interactions that have been submitted through the Portal as of December 31, 2023:

Total Users. Approximately 21,571 EminiFX users have submitted their transactions (*i.e.*, the user has reviewed all of their transactions and have either verified or disputed transactions (including adding transactions) and then submitted such actions for review by the Receiver).

Verified Transactions. EminiFX users have verified 72,673 transactions, which is 65% of the 112,467 EminiFX user transactions identified by the Receiver. The Verified Transactions mean that these users agree with the transactions—both contributions and withdrawals—identified by the Receiver as displayed in the Portal. This functionality has allowed thousands of EminiFX users to save a substantial amount of time and effort by not requiring them to submit documentation if they agree with their transactions identified in the Portal.

Disputed Transactions. EminiFX users have disputed 8,047 transactions identified by the Receiver, which is just under 10% of the total EminiFX user transactions that have been reviewed and submitted by users. The Disputed Transactions are situations in which the user disagrees with the amount listed for the transaction, does not recognize a transaction, adds a transaction that was not listed on the transaction log or believes the transaction is attributable, in whole or in part, to another user. Some Disputed Transactions seek to make relatively small adjustments, which in many cases may be because the user did not take into account fees incurred

by the user when initially making the transaction (*e.g.*, a transaction fee charged by CoinPayments to transfer money to the EminiFX account). Others, however, resulted in a potentially disputed attribution of substantial transactions, where the Receiver and his team will work with the affected users to come to a consensual resolution if feasible, or to include an objection in the final transaction report if necessary.

Added Transactions. The most common category of “disputed transactions” are “added transactions,” mostly deposits, that the user seeks to add to their transaction log, where a user believes their respective transaction was not identified in the Portal. As previously reported, the Receiver anticipated that there would be a significant amount of Added Transactions because—although the vast majority of transactions in the bank and cryptocurrency statements were attributed to users—a significant minority could not be attributed. [Dkt. 224, at 3.] Many added transactions, often for substantial amounts, match up to identifiable bank or cryptocurrency deposits that were not able to be attributed based on EminiFX records, and therefore will be able to attributed to the proper user, so that the correct amount of that user’s claim will be able to be fixed. Users have also added transactions when the deposit was purportedly made by another user on their behalf. The Receiver and his team are seeking to reconcile such situations when possible.

The Receiver and his team are focusing their forensic efforts to address all Disputed Transactions, including the Added Transactions, by reviewing information and documents submitted by users and information compiled by the Receiver and are also reviewing and addressing other submissions made by users in the Portal, including requests to add users to a transaction, merge accounts and unlock accounts. The Receiver recently added additional functionality to the Portal that will allow the Receiver’s professionals to correspond with users

through the portal system to seek additional information or clarification regarding Disputed Transactions.

Upon hearing from multiple leaders in the Haitian community that an extension of the December 18, 2023 deadline to verify, add and/or update transactions in the Portal would be beneficial, the Receiver extended the deadline to February 26, 2024. The Receiver sent an email to all users explaining the extension and next steps, published that date on the Receivership website, and posted a video announcement on the Receiver's YouTube page. The Receiver also explained that he did not believe that the extension of the deadline would materially impact the timing of a distribution, especially given that over 20,000 users have already submitted their transactions and a review of Disputed Transactions is underway.

On December 26, 2023, the Receiver filed an Application [Dkt. 244] for supplemental authority to pay, among other things, up to \$50,000 in funds if, in his judgment, he believes the particular expenditure will be beneficial to further supplement the notice efforts in connection with the Portal. The Receiver is working with leaders in the Haitian community to appear on radio programs that are directed to Haitian Creole and French speaking listeners to explain the process and address questions (the interviews to be interpreted in the respective language) and is also working on short informational spots in Haitian Creole and French that can be placed on the same radio outlets.

The Receiver expects to continue focusing his forensic efforts into processing the Disputed Transactions, and communicating with users as necessary to resolve such transactions in accordance with the Procedures. While the Portal has allowed the Receiver and his professionals to save thousands of hours and millions of dollars because they are not required to manage and review the submission of documentation for the tens of thousands of transactions that have been

verified, the remaining tasks of reviewing and processing the Disputed Transactions must be completed manually, which the Receiver expects will take time to complete, so that the Receiver may present a register of user claims to the Court that is both accurate, fair, and provided users with a notice and opportunity to be heard in the first instance.

D. *Non-User Claims*

As described above, the Procedures also provide an opportunity for claimants, who have a claim against EminiFX not based on their status as a user, to complete and serve a Proof of Claim. The general non-user claim bar date was October 30, 2023 (5:00 p.m. ET) and the governmental bar date was December 27, 2023 (5:00 p.m. ET). The Internal Revenue Service is not subject to the Procedures, and taxes are addressed separately in Part VI, *infra*.

As of December 31, 2023, 55 Proofs of Claim have been submitted, of which only eight claims are non-duplicative non-user claims. For those claims submitted by users based upon their status as a user, the Procedures authorize the Receiver to reject, without further review by the Court, any Proof of Claim submitted by a user based solely on their status as user. (Procedures, Sec. 3.C.(I)). The Receiver has therefore emailed each of those users informing them that their submitted Proof of Claim does not verify their user transactions and all such Proofs of Claim will be denied by the Receiver. The email further directed those users to the Portal where they can review and add transactions.

For the eight non-duplicative Proofs of Claim that were submitted by non-users, the Receiver's counsel has separately reached out to nearly all of the claimants with the eventual goal of resolution of each Proof of Claim. Of the eight proofs of claim, one was from an insider for which the Receiver is currently investigating and reserving judgment (Claimant A0001), three were from counterparties where the value of the claim exceeded \$50,000 and that have been the

subject of prior proceedings in this case and therefore will be referred to by name (Claimants A0002-A0004), three were from counterparties where the value of the claim did not exceed \$50,000 (Claimants A0005-A0007), and one was from the New York State Workers' Compensation Board (Claimant A0008).

Claims Settled Under Supplemental Procedures. The Court granted the Receiver supplemental authority to settle any claim of the estate, where, in the Receiver's judgment, the value of the claim is less than \$50,000 and the settlement is in the best interest of the estate [Dkt. 91]. In accordance with the Receiver's authority, the Receiver has entered into settlement agreements with, and paid the respective settlement amounts to, the following three Claimants, one of which (A0008) was a claim by a governmental agency:

Claimant	Amount Asserted	Resolution Amount	Percentage
A0006	\$81,098.00	\$10,000.00	12%
A0007	\$17,324.30	\$5,000.00	29%
A0008	\$5,003.50	\$1,375.00	27%
Total	\$104,235.80	\$16,375.00	16%

In January 2024, the Receiver reached an additional settlement with Claimant A0005 for \$5,000.00 on an asserted claim of \$17,458.03, the last of the Proofs of Claim within the Receiver's supplemental settlement authority. The Receiver personally reviewed each Claim and signed off on each settlement. Further, in the judgment of the Receiver, (i) each of these Claims was at least partially valid, (ii) the settlement amounts were a fair compromise, (iii) the Receivership benefited by saving costs related to any litigation arising from any of these Claims, and (iv) the settlements are in the best interest of the Receivership.

Other Non-User Claims. The Receiver has reached an additional settlement with UAB Star Ventures and its operating subsidiary, CoinPayments, as set forth in the application filed on January 23, 2024 [Dkt. 248], which was granted by the Court on January 26, 2024 [Dkt. 249]. The

Receiver has received Proofs of Claim related to the \$535,000 Manhasset Deposit and the \$306,000 security deposit, turned over pursuant to this Court's Orders dated June 17 and August 3, 2022, with each Order preserving such party's right to file a claim in the Receivership [Dkts. 60, 86]. Through counsel, the Receiver has reached out to each those parties and their counsel in order to negotiate a fixed amount for such claim and to evaluate the potential for expedited resolution. In the event that any expedited resolution requires additional Court approval, the Receiver will make the appropriate application.

V. RECEIVERSHIP COMMUNICATIONS

Beginning in the Third Quarter 2023 and continuing into the Fourth Quarter, the Receiver communicated with users through email to provide them with pertinent updates in the Receivership, including reminder emails to access the Portal and modifications to the Portal.

The Receiver has created and published "how to" videos on YouTube concerning the Portal, including videos titled "General Instructions and Navigation," "How to Log On to the Portal," and "How to Add a Transaction." These videos can be found at the following website: <https://www.youtube.com/@EminiFXReceiver/videos>. The YouTube videos include subtitles in French and Haitian Creole. The EminiFX Receivership YouTube page has over 2,820 subscribers. During the Fourth Quarter 2023, the Receiver also communicated with members of the Haitian community, including participating in a recorded interview with an online Haitian journalist who specifically covers EminiFX and the Receivership. The Receiver believes that such outreach will assist ensuring as many EminiFX users as possible participate in the transaction verification process, in order to properly determine the amounts of each user's claim.

The Receivership website (<http://www.eminifxreceivership.com>), was updated frequently during the Fourth Quarter 2023 and available in English, French, and Haitian Creole, and will

continue to be the primary source of information for interested parties. *Any interested party seeking information concerning the Receivership is encouraged to review the website in the first instance.* The homepage of the website contains the status reports (including this one), a report on asset recovery, key filings, frequently asked questions, and other information about this case. The website also contains a “Civil Docket” section, so that all ECF filings in this case are available to all interested parties without the need for any such party to pay for filings using PACER or ECF. The Receiver’s team will aim to have all docket items posted by the end of each week, and any interested party can subscribe for docket item email updates by clicking the “**Subscribe**” button in the “**Civil Docket**” section. Under the “**Frequently Asked Questions**” section, the Receiver and his team endeavor to provide answers to common user questions so that answers are available to all interested parties, and the Receiver and his team will update the information over time. Finally, the website contains a section for EminiFX users or interested parties to update their contact information, especially their email addresses.

EminiFX users may email EminiFX@Stretto.com with questions or concerns. During the Fourth Quarter 2023, the Receiver’s team received 3,286 phone calls and 2,764 emails, each of which received a response. The Receiver and other employees of his law firm will not, as a general rule, respond directly to inquiries from individual EminiFX users, given that the Stretto conduit remains open to EminiFX users and the need to ensure that communications with EminiFX users remain as cost-effective as possible.

Finally, as noted in the Receiver’s response to a motion to intervene filed by certain EminiFX users [Dkt. 250], the Receiver encourages any EminiFX users who wish to file anything directly with the Court to reach out through the various communication channels available—most

notably the EminiFX@Stretto.com email address—to see if their concern may be resolved by the Receiver and his professionals.

VI. TAXES

As noted in prior reports, as of the Receiver’s appointment, the IRS did not have a tax return on file for EminiFX, nor does it appear that one was prepared based on the evidence provided to the Receiver to date. The Receiver has a specific obligation to file a tax return for EminiFX (*see* Dkt. 9, ¶ 31(m) (incorporated at Consent Order ¶ 37)), and during the Fourth Quarter 2023, the Receiver worked with his tax and accounting teams to prepare a tax return for EminiFX, which was especially difficult given the lack of accounting records for EminiFX or any sort of legal structure around the contributions from EminiFX users. The Receiver is aiming to file an initial corporate return for EminiFX as soon as possible, with the twin goals of—to the extent possible—minimizing the tax burden to the estate while expediting certainty on such return from the IRS. Based on the advice the Receiver has received, the Receiver believes that it is in the best interest of the estate to approach the IRS with a closing agreement to obtain as prompt a resolution of the pre-receivership tax liability as possible. On December 26, 2023, the Receiver filed an Application [Dkt. 244] for supplemental authority to pay, among other things, the filing fee charged by the IRS for a closing agreement, which fee is currently set at \$38,000.

In addition to preparing the EminiFX tax return, the Receiver must address other tax issues in the Receivership. Pursuant to applicable United States Treasury Regulations, the EminiFX Receivership estate is treated as a Qualified Settlement Fund (“**QSF**”) effective as of the date of the commencement of the Receivership, May 11, 2022. A QSF is a separate entity that is subject to federal income tax requirements that are independent of EminiFX and individual users’ tax requirements. By operation of law, EminiFX’s assets were transferred to the QSF on May 11,

2022. To the extent that assets transferred to the QSF produce includable income, less certain expenses, the QSF will be required to pay tax at the maximum tax rate in effect for that tax year under the Internal Revenue Code. During the Fourth Quarter 2023, the Receiver worked with his tax and accounting teams to finalize and file a QSF tax return for 2022. The 2022 QSF tax return did not report any tax owed.

Further, the Receiver does not intend to issue 1099s to EminiFX users that received funds from EminiFX, including those who received more funds than they contributed, as the Receiver does not believe that such excess amounts represented profits from actual investing activity, but instead were paid using the contributions from other EminiFX users.

Nothing in the foregoing is intended to be tax advice for any EminiFX user, and *each EminiFX user is responsible for his or her own personal tax situation.*

VII. RECOMMENDATIONS AND NEXT STEPS

As noted above, the Court has set a deadline of February 16, 2024, for the Parties to submit a proposed Consent Judgment or to otherwise continue with the litigation of the CFTC's Complaint. To the extent that a proposed Consent Judgment is submitted, the Receiver expects to sign on to such proposed Consent Judgment and that it will allow for the continued administration of the Receivership with little to no disruption. The Receiver anticipates the following next steps:

A. User Transaction Verification and Claims Process

While February 26, 2024 is the deadline for EminiFX users to submit transactions via the user Portal, in the interim, the Receiver is reviewing and analyzing the Disputed Transactions, including those transactions that have been added by users. Given the volume of users, the potential for a number of transactions to have involved pooling by multiple users, and the detailed manual review required at this stage, the Receiver expects that this process will take some time

and will continue past the February 26, 2024 deadline to review and submit transactions. For Disputed Transactions, the Receiver may attempt to resolve the dispute voluntarily through communications with the user, including through the Portal. Upon the Receiver's determination to initiate a formal process, the Procedures provide a process for judicial resolution of the Disputed Transactions (Procedures, Sec. 2.E).

As set forth above, the Receiver has resolved most of the non-user Proofs of Claim. The Receiver will continue to attempt to negotiate the remaining non-user Proofs of Claim for which resolution is feasible. The Receiver may seek interim relief from the Court in cases where expedited resolution is appropriate, as with the CoinPayments Proof of Claim [Dkt. 248]. Once the Receiver's negotiations are complete, the Receiver will file a report with the Court summarizing the disposition of each Proof of Claim and setting forth the Receiver's position with respect to the allowance of any unresolved Proofs of Claim. In accordance with the Procedures, there is a court approved process for non-users to dispute the Receiver's determination of their filed claims, alternative dispute resolution procedures, and a process for adjudication through summary proceedings (Procedures, Secs. 4.D, 5).

B. EminiFX User Communications and Town Hall

The Receiver expects to continue to update the Receivership website, and hold additional town hall presentations and/or post videos to update the EminiFX users on the Procedures, as well as any other relevant updates. The Receiver has been working with community groups representing the communities targeted to participate in EminiFX, to disseminate information about the Receivership and the Procedures. Additionally, the Receiver has sought and obtained supplemental authority [Dkt. 244] to expend additional funds of up to \$50,000 to provide supplemental public notice and informational campaign regarding the Portal.

C. *Development of Distribution Plan*

As explained in prior reports, the transaction verification and claims process is a necessary initial step towards developing a distribution plan for court approval. The Receiver expects to begin drafting a distribution plan once he has a fuller picture of the claims of the EminiFX users and other claimants, including the Internal Revenue Service. The Receiver intends to propose a prudent initial distribution as soon as practicable following the Court's approval of a distribution plan. The Receiver further cautions EminiFX users—especially those who have inquired about refunds—that no Receivership funds are intended to be distributed to EminiFX users outside the claims and distribution process approved by the Court.

D. *Evaluation of Potential Litigation Claims*



As part of the administration of the estate, the Receiver is evaluating the availability of litigation claims against third parties for which the estate has standing to pursue under applicable law and for which there is a potential for return on investment should such litigation be commenced. 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. The Receiver will seek further relief or instructions from the Court at the appropriate time concerning potential litigation against third parties.

VIII. CONCLUSION

The Receiver will provide a further report within 30 days of the end of the First Quarter 2024, or at such other time as the Court may direct. The Receiver remains available to provide any further information or advice that the Court may require.

Dated: New York, New York
January 26, 2024

Respectfully Submitted,

By:  

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Exhibit 1

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): Cash General Ledger - 2023 All

Category	Type	Dkt	Asset Pool	Amount (USD)	Date	Balance (USD)
Balance on 1/1/2023:						\$63,069,109.27
Liquidation	Other Crypto	184	General Receivership	\$1,196.11	01/05/2023	\$63,070,305.38
Liquidation	Other Crypto	184	General Receivership	\$3,305.91	01/05/2023	\$63,073,611.29
Liquidation	Other Crypto	184	General Receivership	\$1,983.50	01/05/2023	\$63,075,594.79
Liquidation	Other Crypto	184	General Receivership	\$21,528.29	01/05/2023	\$63,097,123.08
Liquidation	Other Crypto	184	General Receivership	\$11,319.55	01/05/2023	\$63,108,442.63
Liquidation	Other Crypto	184	General Receivership	\$8.39	01/05/2023	\$63,108,451.02
Liquidation	Other Crypto	184	General Receivership	\$2,295.19	01/05/2023	\$63,110,746.21
Recovery	Misc Deposit		General Receivership	\$20,100.00	01/12/2023	\$63,130,846.21
Expenses	Payroll	91	General Receivership	(\$16.88)	01/13/2023	\$63,130,829.33
Liquidation	Bitcoin	184	General Receivership	\$10,062,697.85	01/20/2023	\$73,193,527.18
Retainers	Retainer	91/185	General Receivership	\$5,269.68	01/27/2023	\$73,198,796.86
Expenses	Professional	91/185	General Receivership	(\$5,269.68)	01/27/2023	\$73,193,527.18
Expenses	Professional	185	General Receivership	(\$13,775.21)	01/27/2023	\$73,179,751.97
Expenses	Professional	185	General Receivership	(\$168,790.95)	01/27/2023	\$73,010,961.02
Expenses	Professional	185	General Receivership	(\$68,858.52)	01/27/2023	\$72,942,102.50
Expenses	Professional	185	General Receivership	(\$10,084.65)	01/27/2023	\$72,932,017.85
Expenses	Professional	185	General Receivership	(\$4,328.05)	01/27/2023	\$72,927,689.80
Expenses	Rent	91	General Receivership	(\$185.20)	01/27/2023	\$72,927,504.60
Interest	Interest		General Receivership	\$39,140.72	01/31/2023	\$72,966,645.32
Interest	Interest		Alexandre Assets	\$10,025.69	01/31/2023	\$72,976,671.01
Interest	Interest		General Receivership	\$60,555.56	02/01/2023	\$73,037,226.57
Interest	Interest		General Receivership	\$0.23	02/02/2023	\$73,037,226.80
Recovery	RE Deposit		General Receivership	\$50,000.00	02/02/2023	\$73,087,226.80
Liquidation	Bitcoin	184	General Receivership	\$11,550,563.53	02/03/2023	\$84,637,790.33
Interest	Interest		General Receivership	\$26,085.10	02/03/2023	\$84,663,875.43
Interest	Interest		Alexandre Assets	\$8,881.33	02/03/2023	\$84,672,756.76
Recovery	RE Deposit		General Receivership	\$32,000.00	02/09/2023	\$84,704,756.76
Expenses	Professional	191	General Receivership	(\$152,455.56)	02/15/2023	\$84,552,301.20
Expenses	Professional	191	General Receivership	(\$37,358.79)	02/15/2023	\$84,514,942.41
Expenses	Professional	191	General Receivership	(\$36,286.30)	02/15/2023	\$84,478,656.11

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): Cash General Ledger - 2023 All

Category	Type	Dkt	Asset Pool	Amount (USD)	Date	Balance (USD)
Expenses	Professional	191	General Receivership	(\$29,100.72)	02/15/2023	\$84,449,555.39
Expenses	Professional	185	General Receivership	(\$76,873.50)	02/16/2023	\$84,372,681.89
Expenses	Professional	191	General Receivership	(\$55,143.00)	02/16/2023	\$84,317,538.89
Expenses	Professional	185	General Receivership	(\$59,763.47)	02/16/2023	\$84,257,775.42
Expenses	Professional	191	General Receivership	(\$37,058.98)	02/16/2023	\$84,220,716.44
Liquidation	Bitcoin	184	General Receivership	\$11,230,634.69	02/17/2023	\$95,451,351.13
Expenses	Rent	91	General Receivership	(\$185.20)	02/22/2023	\$95,451,165.93
Interest	Interest		General Receivership	\$52,600.08	02/28/2023	\$95,503,766.01
Interest	Interest		Alexandre Assets	\$22,286.20	02/28/2023	\$95,526,052.21
Interest	Interest		General Receivership	\$128,763.58	02/28/2023	\$95,654,815.79
Expenses	Rent	91	General Receivership	(\$185.20)	03/01/2023	\$95,654,630.59
Liquidation	Bitcoin	184	General Receivership	\$11,757,011.04	03/03/2023	\$107,411,641.63
Interest	Interest		General Receivership	\$33,331.63	03/16/2023	\$107,444,973.26
Interest	Interest		General Receivership	\$81.64	03/16/2023	\$107,445,054.90
Liquidation	Bitcoin	184	General Receivership	\$11,248,649.15	03/17/2023	\$118,693,704.05
Interest	Interest		General Receivership	\$284.06	03/20/2023	\$118,693,988.11
Liquidation	Bitcoin	184	General Receivership	(\$19,069.21)	03/27/2023	\$118,674,918.90
Interest	Interest		Alexandre Assets	\$49.98	03/27/2023	\$118,674,968.88
Liquidation	Bitcoin	184	General Receivership	\$13,874,501.65	03/30/2023	\$132,549,470.53
Interest	Interest		General Receivership	\$154,307.22	03/31/2023	\$132,703,777.75
Interest	Interest		Alexandre Assets	\$23,303.66	03/31/2023	\$132,727,081.41
Interest	Interest		General Receivership	\$84,264.54	03/31/2023	\$132,811,345.95
Expenses	Rent	91	General Receivership	(\$185.20)	04/01/2023	\$132,811,160.75
Liquidation	Bitcoin	184	General Receivership	(\$8,846.44)	04/06/2023	\$132,802,314.31
Liquidation	Bitcoin	184	General Receivership	\$20,353,048.46	04/17/2023	\$153,155,362.77
Interest	Interest		General Receivership	\$324,623.68	04/28/2023	\$153,479,986.45
Interest	Interest		Alexandre Assets	\$22,924.86	04/28/2023	\$153,502,911.31
Interest	Interest		General Receivership	\$297.24	04/28/2023	\$153,503,208.55
Expenses	Rent	91	General Receivership	(\$186.91)	04/01/2023	\$153,503,021.64
Expenses	Professional	198	General Receivership	(\$359,375.24)	05/11/2023	\$153,143,646.40
Expenses	Professional	198	General Receivership	(\$7,829.98)	05/11/2023	\$153,135,816.42
Expenses	Professional	198	General Receivership	(\$44,490.65)	05/11/2023	\$153,091,325.77

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): Cash General Ledger - 2023 All

Category	Type	Dkt	Asset Pool	Amount (USD)	Date	Balance (USD)
Expenses	Professional	198	General Receivership	(\$17,231.90)	05/11/2023	\$153,074,093.87
Expenses	Professional	198	General Receivership	(\$87,466.50)	05/11/2023	\$152,986,627.37
Expenses	Professional	198	General Receivership	(\$65,377.46)	05/11/2023	\$152,921,249.91
Expenses	Professional	198	General Receivership	(\$17,374.50)	05/15/2023	\$152,903,875.41
Interest	Interest		General Receivership	\$14,736.77	05/22/2023	\$152,918,612.18
Interest	Interest		General Receivership	\$363,290.13	05/31/2023	\$153,281,902.31
Interest	Interest		Alexandre Assets	\$25,305.68	05/31/2023	\$153,307,207.99
Interest	Interest		General Receivership	\$307.59	05/31/2023	\$153,307,515.58
Liquidation	Bitcoin	184	General Receivership	(\$200.00)	06/01/2023	\$153,307,315.58
Expenses	Rent	91	General Receivership	(\$198.02)	06/07/2023	\$153,307,117.56
Interest	Interest		General Receivership	\$367,082.16	06/30/2023	\$153,674,199.72
Interest	Interest		Alexandre Assets	\$24,556.95	06/30/2023	\$153,698,756.67
Expenses	Rent	91	General Receivership	(\$358.22)	07/05/2023	\$153,698,697.21
Expenses	Misc	91	General Receivership	(\$2,481.94)	07/05/2023	\$153,696,215.27
Interest	Interest		General Receivership	\$380,276.78	07/31/2023	\$154,076,492.05
Interest	Interest		Alexandre Assets	\$25,443.30	07/31/2023	\$154,101,935.35
Interest	Interest		General Receivership	\$310.47	07/31/2023	\$154,102,245.82
Expenses	Rent	91	General Receivership	(\$198.02)	08/07/2023	\$154,102,047.80
Expenses	Professional	227	General Receivership	(\$417,859.10)	08/11/2023	\$153,684,188.70
Expenses	Professional	227	General Receivership	(\$439.44)	08/11/2023	\$153,683,749.26
Expenses	Professional	227	General Receivership	(\$18,908.88)	08/11/2023	\$153,664,840.38
Expenses	Professional	227	General Receivership	(\$58,296.00)	08/11/2023	\$153,606,544.38
Expenses	Professional	227	General Receivership	(\$48,807.00)	08/11/2023	\$153,557,737.38
Expenses	Professional	227	General Receivership	(\$136,665.12)	08/11/2023	\$153,421,072.26
Interest	Interest		General Receivership	\$380,002.86	08/31/2023	\$153,801,075.12
Interest	Interest		Alexandre Assets	\$25,513.53	08/31/2023	\$153,826,588.65
Interest	Interest		General Receivership	\$315.35	08/31/2023	\$153,826,904.00
Expenses	Rent	91	General Receivership	(\$198.02)	09/05/2023	\$153,826,705.98
Expenses	Misc	91-187	General Receivership	(\$878.00)	09/12/2023	\$153,825,827.98
Interest	Interest		General Receivership	\$368,198.68	09/30/2023	\$154,194,026.66
Interest	Interest		Alexandre Assets	\$24,758.66	09/30/2023	\$154,218,785.32

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): Cash General Ledger - 2023 All

Category	Type	Dkt	Asset Pool	Amount (USD)	Date	Balance (USD)
Interest	Interest		General Receivership	\$305.99	09/30/2023	\$154,219,091.31
Interest	Interest		General Receivership	\$1.66	09/30/2023	\$154,219,092.97
Expenses	Rent	91	General Receivership	(\$198.02)	10/09/2023	\$154,218,894.95
Expenses	Misc	91-187	General Receivership	(\$509.50)	10/19/2023	\$154,218,385.45
Interest	Interest		General Receivership	\$381,457.59	10/31/2023	\$154,599,843.04
Interest	Interest		Alexandre Assets	\$25,652.29	10/31/2023	\$154,625,495.33
Interest	Interest		General Receivership	\$317.00	10/31/2023	\$154,625,812.33
Interest	Interest		General Receivership	\$2.58	10/31/2023	\$154,625,814.91
Expenses	Rent	91	General Receivership	(\$198.02)	11/08/2023	\$154,625,616.89
Expenses	Professional	237	General Receivership	(\$99,841.50)	11/15/2023	\$154,525,775.39
Expenses	Professional	237	General Receivership	(\$490,913.83)	11/15/2023	\$154,034,861.56
Expenses	Professional	237	General Receivership	(\$194,506.20)	11/15/2023	\$153,840,355.36
Expenses	Professional	237	General Receivership	(\$67,331.00)	11/15/2023	\$153,773,024.36
Expenses	Professional	237	General Receivership	(\$32,970.00)	11/16/2023	\$153,740,054.36
Expenses	Professional	237	General Receivership	(\$304,452.01)	11/15/2023	\$153,435,602.35
Claims	Non-User Claims	91	General Receivership	(\$5,000.00)	11/27/2023	\$153,430,602.35
Interest	Interest		General Receivership	\$319,969.36	11/30/2023	\$153,750,571.71
Interest	Interest		Alexandre Assets	\$24,893.32	11/30/2023	\$153,775,465.03
Interest	Interest		General Receivership	\$307.59	11/30/2023	\$153,775,772.62
Interest	Interest		General Receivership	\$47,807.38	11/30/2023	\$153,823,580.00
Expenses	Rent	91	General Receivership	(\$198.02)	12/08/2023	\$153,823,381.98
Claims	Non-User Claims	91	General Receivership	(\$10,000.00)	12/12/2023	\$153,813,381.98
Claims	Non-User Claims	91	General Receivership	(\$1,375.00)	12/20/2023	\$153,812,006.98
Interest	Interest		General Receivership	\$314,272.73	12/29/2023	\$154,126,279.71
Interest	Interest		Alexandre Assets	\$25,791.81	12/29/2023	\$154,152,071.52
Interest	Interest		General Receivership	\$318.66	12/29/2023	\$154,152,390.18
Interest	Interest		General Receivership	\$64,593.67	12/29/2023	\$154,216,983.85

Exhibit 2

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2023 Annual Balance Sheet

Assets [1]	2023 (Year)	2022 (Year)	Change ('23 to '22)
Cash and Cash Equivalents [2]	\$ 154,140,275	\$ 62,992,400	\$ 91,147,875
Unused Retainers	\$ 25,000	\$ 30,270	\$ (5,270)
Digital Assets [3]	\$ -	\$ 61,031,989	\$ (61,031,989)
Litigation and Other Claims [4]		<i>To be determined</i>	
Total Assets	\$ 154,165,275	\$ 124,054,659	\$ 30,110,616
Liabilities			
Professional Fees and Expenses for Work Performed but not Paid in Period [5]	\$ 1,212,285	\$ 755,147	\$ 457,138
Tax Liabilities [6]		<i>To be determined</i>	
Receivership Claims [7]		<i>To be determined</i>	
Total Liabilities	\$ 1,212,285	\$ 755,147	\$ 457,138
Receivership Net Asset Value	\$ 152,952,990	\$ 123,299,512	\$ 29,653,478

Notes

[1] All assets and liabilities as of December 31, 2023. These statements are unaudited and not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures.

[2] Does not include \$76,709 currently held in reserve by the Receiver for payroll expenses for Alexandre and his wife, pending further determination of the Court.

[3] Liquidation of Digital Assets Completed in the Second Quarter 2023.

[4] The estate may have significant litigation and other claims based on the pre-receivership activities of EminiFX, Inc. and third-parties. The Receiver has not attempted to value those claims for the purpose of this balance sheet.

[5] Fees and expenses to be requested from the Court for work performed in the Fourth Quarter 2023, pending approval or modification by the CFTC and the Court. Also includes \$5,475 in expenses incurred in the Third Quarter to be requested in the Fourth Quarter application

[6] The estate did not have a tax liability for 2022 for post-receivership activities. The potential tax liability for 2023 is uncertain at this time. The tax obligation of the estate for the pre-receivership activities of EminiFX, Inc. is uncertain and yet to be determined.

[7] The estate anticipates having significant claims allowed against it, largely owing to thousands of expected EminiFX user claims, as well as other potential claims. The value of these claims is not yet known and will not be fixed until the court-approved claims process is completed by the Receiver.

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2023 Annual Income Statement

Income [1]	2023 (Year)	2023 (4Q Only)	2022 (Year)
Interest on Accounts	\$ 4,197,896	\$ 1,205,384	\$ 334,343
Real Estate Deposit Recoveries [2]	\$ 82,000	\$ -	\$ 2,865,400
Other Recoveries [2]	\$ 20,100	\$ -	\$ 486,205
Total Income	\$ 4,299,996	\$ 1,205,384	\$ 3,685,948
Expenses			
Administrative Expenses [3]	\$ 3,682,422	\$ 1,212,285	\$ 2,338,171
Asset Recovery Expenses	\$ -	\$ -	\$ 11,861
Rent and Related Expenses	\$ 2,474	\$ 594	\$ 106,145
Miscellaneous Expenses [4]	\$ 3,886	\$ 509	\$ 184,433
Total Expenses	\$ 3,688,782	\$ 1,213,388	\$ 2,640,610
Receivership Net Income	\$ 611,214	\$ (8,004)	\$ 1,045,338
Offset for Additional Potential Claims [5]	\$ -	\$ -	\$ 841,000
Receivership Adjusted Net Income	\$ 611,214	\$ (8,004)	\$ 204,338

Notes

[1] Income from October 1 to December 31, 2023 (4Q Only), or from January 1 to December 31, 2023 (Year). These statements are unaudited and not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures. This income statement is for illustrative purposes only and is not intended to represent the taxable income to the receivership estate.

[2] Recoveries are generally based on claims of related to the pre-receivership activities of EminiFX, Inc. and third parties. Such recoveries do not necessarily taxable income to the receivership estate.

[3] Includes fees and expenses to be requested from the Court in the Fourth Quarter 2023 Fee Application, pending approval or modification by the CFTC and the Court. Also includes \$5,475 in expenses incurred in the Third Quarter to be requested in the Fourth Quarter application

[4] Includes \$76,709 in payroll expenses for Alexandre and his wife, currently held in reserve by the Receiver pending further determination of the Court.

[5] The Receiver has reserved his right to review and object to any such claims.

Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2023 Annual Statement of Cash Flows

	2023 (Year)	2023 (4Q Only)	2022 (Year)
Cash on Hand at Beginning of Period [1]	\$ 62,992,400	\$ 154,142,384	\$ -
Asset Turnovers and Liquidations			
Liquidation of Digital Assets	\$ 90,090,628	\$ -	\$ -
Bank 1 Turnover of Accounts	\$ -	\$ -	\$ 44,210,018
Bank 2 Turnover of Accounts	\$ -	\$ -	\$ 14,583,153
Brokerage 1 Turnover of Account	\$ -	\$ -	\$ 1,752,944
Crypto Exchange 1 Turnover of Account	\$ -	\$ -	\$ 403,140
Liquidation of Vehicles	\$ -	\$ -	\$ 257,930
Liquidation of Office Equipment	\$ -	\$ -	\$ 15,000
Total Cash Flow from Asset Turnovers and Liquidations	\$ 90,090,628	\$ -	\$ 61,222,185
Receivership Activities			
Interest	\$ 4,197,896	\$ 1,205,384	\$ 334,343
Real Estate Recoveries	\$ 82,000	\$ -	\$ 2,865,400
Other Recoveries	\$ 20,100	\$ -	\$ 486,205
Professional Fees and Retainers [2]	\$ (3,220,014)	\$ (1,190,015)	\$ (1,613,294)
Asset Recovery Expenses	\$ -	\$ -	\$ (11,861)
Rent and Related Expenses	\$ (2,474)	\$ (594)	\$ (106,145)
Payroll and Other Expenses	\$ (3,886)	\$ (509)	\$ (107,724)
Payroll Reserve [3]	\$ -	\$ -	\$ (76,709)
Total Cash Flow from Receivership Activities	\$ 1,073,622	\$ 14,266	\$ 1,770,215
Claims Paid			
Non User Claims Paid	\$ (16,375)	\$ (16,375)	\$ -
Total Cash Flow from Claims Paid	\$ (16,375)	\$ (16,375)	\$ -
Cash and Cash Equivalents at the End of the Period	\$ 154,140,275	\$ 154,140,275	\$ 62,992,400

Notes

[1] Cash flows from October 1 to December 31, 2023 (4Q Only), or from January 1 to December 31, 2023 (Year). These statements are unaudited and not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures.

[2] Fees paid in the fourth quarter 2023 were for work performed from in the third quarter 2023, and were approved by the Court in the fourth quarter 2023.

[3] The \$76,709 in payroll expenses for Alexandre and his wife are excluded from the amount of total cash held generally, as they are currently maintained in reserve by the Receiver pending further determination of the Court.