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Permanent Receiver*

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION – LOS ANGELES**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

DIRECT LENDING INVESTMENTS  
LLC,

Defendant.

Case No.: 2:19-cv-02188-DSF-MRW

**TWENTIETH STATUS REPORT  
OF PERMANENT RECEIVER  
BRADLEY D. SHARP  
[OCTOBER 1, 2023 TO  
DECEMBER 31, 2023] WITH  
EXHIBITS**

Bradley D. Sharp, the Court-appointed permanent receiver (the “Receiver”) for the estate of Direct Lending Investments, LLC (“DLI”), Direct Lending Income Fund, L.P., Direct Lending Income Feeder Fund, Ltd. (“DLIFF”), DLI Capital, Inc., DLI Lending Agent, LLC, DLI Assets Bravo LLC, and their successors, subsidiaries and affiliated entities (collectively, the “Receivership Entities”), pursuant to the Preliminary Injunction Order and Order Appointing Permanent Receiver issued April 1, 2019 (“Receiver Order”) (Doc. No. 10), hereby submits his Twentieth Status Report generally covering the period from October 1, 2023 through December 31, 2023.

**I. Summary Overview**

The Receiver is submitting his Twentieth Status Report to update the Court and interested parties of the recent activities that took place in the fourth quarter 2023.

**A. Highlights of Activity During the Fourth Quarter 2023**

A summary of the more significant activities during this period is as follows:

**Claims Distribution**

1. The Receiver oversaw the near completion of the Third Interim Distribution that was approved by the court on August 25, 2023 (Doc No. 906). The Receiver made distributions pursuant to the motion and has continued to monitor the status of cashed checks and field inquiries from investors.

**Loan Portfolios**

2. The Receiver collected an additional \$140,500 on the loan portfolios during the fourth quarter and continues to make progress in monetizing the remaining collectible investments in the portfolio. The Receiver continues to pursue collection efforts on four of the loan portfolios and is moving closer to nearing completion of the liquidation of the active, outstanding loan portfolio

positions held by the Receivership Entities.

### **Litigation**

3. As of December 31, 2023, just one lawsuit remains as to net winnings received by investors which is a lawsuit against foreign institutional defendants. The Receiver reached settlement agreements with the defendants and the litigation is stayed pending additional discovery being conducted in Korea to evaluate possible amendment of the complaint to name additional parties.

4. As a result of negotiations with certain recipients of commission payments, the Receiver has recovered over \$960,000 in cash and potential future offsets in connection with his claims to recover commission payments made to certain individuals and companies. The Receiver is in settlement discussion with the last few recipients of commission payments and no litigation has yet been commenced.

5. The Receiver has reached settlements in principle with both EisnerAmper LLP (“EisnerAmper”) and Duff & Phelps LLC (“Duff & Phelps”) following mediations in both cases, and the parties are in the process of documenting the settlements.

6. The Receiver has engaged in discussions regarding possible resolution of claims asserted in the complaint filed against Strawberry Peak Trust and Primus Trust Corp., which was served pursuant to the Hague Convention. The Receiver and Primus Trust have entered into a stipulation to provide additional time to respond. The complaint seeks to recover over \$11 million in funds transferred to a Hungarian Trust for the benefit of Brendan Ross’s wife and children. The Receiver continued to pursue settlement discussions with Primus Trust and Brendan Ross and his family, but no resolution has yet been reached. The Receiver anticipates amending the complaint to name additional parties if a resolution cannot be reached. Primus Trust has filed a motion to dismiss which

1 is set for hearing on April 29, 2024.

2 7. The Receiver has continued discussions with the directors and  
3 officers and the investor groups regarding possible resolution of other litigation  
4 claims. Litigation has not yet been commenced and tolling agreements are in  
5 place relating to these claims.

6 **B. Summary of Cash Position**

7 As of December 31, 2023, the Receiver had cash on hand of approximately  
8 \$27.42 million, of which \$3.97 million has been reserved as holdbacks for  
9 professional fees and \$1.48 million related to uncashed distribution checks and  
10 distribution reserves. As of December 31, 2023, the Receiver has recovered  
11 approximately \$250.7 million in portfolio collections. Although the Receiver  
12 continues to make every attempt to maximize the recovery with respect to the  
13 investments, on the remaining assets that are still being actively managed, the  
14 anticipated and actual collections on the active portfolio positions have not  
15 materially changed the Receiver's overall outlook for recovery.

16 The portfolio investments held by the Receivership Entities as of the date  
17 of the receivership were valued at par (*i.e.*, face value amount outstanding) by  
18 DLI at \$789.6 million dollars as of March 31, 2019. The Receiver and his team  
19 continue to estimate a low range of return on the liquidation of the investments  
20 of \$215 million (or about 27% of the March 31, 2019 par value) and a high range  
21 of \$265 million (or about 34%), both after operating and professional fee  
22 expenses. Of course, these are only the best estimates available and are not  
23 certain. The ultimate return to investors will be increased by the \$31.7 million in  
24 cash on hand at the time of the appointment of the Receiver and any proceeds of  
25 litigation, including the proceeds of the net winner claims, the settlement with the  
26 Deloitte Entities, the SAI Settlement, and the other pending complaints, reduced  
27 by operating costs, administrative fees, and expenses, and impacted by allowed  
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1 non-investor claims.

2 **C. Update on Operational Issues**

3 1. Employees:

4 The Receiver has continued to operate with a reduced staff and has  
5 continued to operate with a reduced staff of one DLI employee during this past  
6 quarter. This remaining employee of DLI will continue to work remotely for the  
7 remainder of her employment with DLI.

8 2. Ordinary Course Authority:

9 Pursuant to the Receiver's motion seeking multiple items of relief,  
10 including an order: (i) extending the Receiver's authority to employ vendors and  
11 professionals in the ordinary course of the receivership, subject to the less than  
12 \$10,000 per month limit on payment of professionals for the period through  
13 December 31, 2022; and (ii) an order authorizing the Receiver to employ and  
14 pay ordinary course professionals, including accountants and attorneys  
15 previously employed in the ordinary course of the Receivership Entity's  
16 business (Doc. No. 817), which was granted by order entered on September 6,  
17 2022 (Doc No. 826). The Receiver has previously advised the Court that the  
18 Receiver does not anticipate filing any additional such motions as he has  
19 previously obtained approval to operate the receivership estate, pay operating  
20 expenses, and pay his ordinary course professionals on the same terms in  
21 amounts no more than the current budget amounts by disclosure of the actual  
22 amounts expended in future quarterly status reports but without the need to file  
23 subsequent motions through the remainder of the case.

24 The Receiver has attached hereto as Exhibit "1" the actual v. budget for  
25 the three-month period ending December 31, 2023. Exhibit "2" are the budgets  
26 for the first and second quarters of 2024. Exhibit "3" is the Receiver's  
27 Standardized Fund Accounting Report for the Reporting Period of October 1,  
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2023 through December 31, 2023.

**D. Ordinary Course Settlement Update:**

Pursuant to the authority and powers of the Receiver set forth in the Court's order granting the Receiver's Motion for Instructions re Scope of Receivership (Doc. No. 57), the Receiver is authorized to make compromises of claims and accept discounts of \$100,000 or less. Based on that order, the Receiver has obtained settlements or payments related to approximately two dozen claims in connection with the loan portfolios. The settlements include discounted payoffs and negotiated structured repayment agreements as the Receiver endeavors to maximize recoveries on loans in default. The settlements typically involve ongoing monthly payments on the loans potentially with reduced or waiver of interest. In the fourth quarter of 2023, the Receiver collected approximately \$15.5 thousand in connection with such settlements.

**II. Assets: The Loans and Litigation Claims**

**A. Loan Portfolios**

The Receiver's initial review of the books and records of the estate indicated that there were 26 outstanding loan portfolios. The number of outstanding investment/loan portfolio positions is now four, based on: (1) the Receiver's review and analysis of the loan records, which indicated certain investments were no longer outstanding and had been paid off shortly before the commencement of the receivership; (2) post-receivership loan payoffs; (3) five whole loan portfolio sales; (4) the Court's approval of a restructuring transaction/settlement for 10 additional investments; and (5) the Receiver's resolution of outstanding issues arising from Morrison Oil, LLC, an entity that is in a separate receivership proceeding, and with Walsh Electrical Contracting, an entity that filed for bankruptcy.

When the Receiver was initially appointed on April 1, 2019, the estate had

1 cash on hand of \$31.7 million. Since the Receiver's appointment through  
2 December 31, 2023, the Receiver has recovered approximately an additional  
3 \$250.7 million in portfolio collections (including interest recovery but excluding  
4 funds collected on behalf of and either reserved for or remitted to third parties).

5 1. Current Schedule of Loans/Investments

6 The uncollected balance as of December 31, 2023 is \$139.8 million.  
7 However, as noted in the prior report, each of the remaining loan/investment  
8 portfolios has a number of issues that make recovery of all or a large portion of  
9 the outstanding balances challenging.

10 There are now only four disparate investments which the Receiver and his  
11 team are managing.

12 As in the prior report, the Receiver is maintaining confidential the identity  
13 of the specific borrowers on the list of loan/investment portfolios. Attached to  
14 this Twentieth Status Report as Exhibit "4" is an updated list identifying the  
15 status of the investments, including a summary of those that have been paid off  
16 after the receivership, and the uncollected amounts for the remaining  
17 loans/investments (the "Loan/Investment Schedule"). The Loan/Investment  
18 Schedule includes the March 31, 2019 par dollar amount of the estate's interest  
19 in those portfolios as reflected on the books and records of the Receivership  
20 Entities, collections on those portfolios obtained since the commencement of the  
21 receivership, and a general summary of the loan/investment portfolio.

22 Of the four remaining outstanding loan and investment portfolios, most are  
23 in some form of financial distress or subject to disputes that may affect the timing  
24 and extent of recoveries on those portfolios.

25 Without providing individualized loan/portfolio assessments, it remains  
26 the Receiver's general assessment, as informed by his professional advisors, that  
27 recoveries on the remaining loan/investment portfolios are likely to be far less  
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1 than the \$789.6 million stated on the receivership books and records as of March  
2 31, 2019. The Receiver and his professional advisors continue to estimate that  
3 the total recoveries to date (since appointment) and future recoveries on the  
4 loan/investment portfolio in place as of March 31, 2019, will range between a  
5 low of \$215 million and a high of \$265 million, both after operating and  
6 professional expenses.

7                   2. Loan Portfolio Activity

8           The Receiver and his professionals have continued efforts to maximize the  
9 value of the loan portfolio and evaluated counterparty proposals, financial  
10 reporting and projections, and certain underlying collateral to manage investment  
11 positions to support the collection and maximization of value from the loan  
12 portfolio. The Receiver directed efforts in recovering loans and pursued  
13 settlements of various non-performing loans through negotiated payment terms.  
14 Some of the specific activity relative to the portfolios is identified as follows:

15           a. Investment H

16           DSI continued to monitor and evaluate the performance of Investment H  
17 and its affiliates. The counterparty's turnaround has resulted in profitability for  
18 the years 2021 and 2022, but market conditions began deteriorating in mid-2023  
19 as the effect of the rising interest rate environment negatively impacted the  
20 counterparty's interest margins. The company is currently addressing liquidity  
21 and loan origination issues stemming from the current environment. Conditions  
22 remain unfavorable for the company so long as interest rates remain higher.  
23 Potential solutions could involve a refinancing, distressed sale of the loan  
24 portfolio or entire company, or a dilutive capital raise. The impact to the  
25 Receivership is unclear.

26           b. Investment N

27           DSI continued to evaluate options available to the Receiver to protect  
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1 DLI's interests in Investment N. The Receiver and his team pursued monetization  
2 of other collateral assets of the borrower and have received \$125 thousand in  
3 proceeds during Q4 2023. Full recovery is not expected as one of the largest  
4 potential sources of repayment has resulted in significant litigation involving the  
5 borrower and another lender for which any potential recovery is unknown. The  
6 Receiver is working with the borrower to take direct collateral possession of  
7 several remaining assets to monetize directly. Other remaining investments are  
8 highly uncertain and likely minimal future collectability, but DSI continues to  
9 investigate potential recoveries.

10 c. VoIP Guardian

11 Although the March 31, 2019 par value of the VoIP loan on the  
12 Receivership Entities' book is approximately \$202.6 million, the Receiver is not  
13 expecting a recovery of nearly the amount of the outstanding balance, as there  
14 are substantial questions and concerns regarding collection of the underlying  
15 foreign telecommunications accounts receivable. VoIP is in a Chapter 7  
16 bankruptcy, which fact alone reflects the challenges in collection. In addition, the  
17 collection of approximately \$22 million from VoIP receivables continues to  
18 depend on the outcome of proceedings in the Netherlands, as the funds are subject  
19 to an ongoing criminal investigation for money laundering and other criminal  
20 claims. The Receiver is advised that the VoIP trustee is in talks with Netherland  
21 authorities regarding this large receivable.

22 Further recovery efforts included working with VoIP Guardian counsel to  
23 explore and pursue recovery efforts, including evaluating reports, complaints  
24 filed, and other material in connection with the investigation. The Receiver and  
25 his team have worked with the Trustee's counsel to provide certain documentary  
26 information requested by the Trustee to assist in the recovery efforts. The  
27 Receiver communicated with the VoIP Trustee regarding resolution of litigation  
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1 claims against former insiders of VoIP, including Rodney Omanoff and  
2 monitored the status of ongoing settlement discussions between the VoIP Trustee  
3 and Omanoff.

4 **B. Litigation Claims**

5 The Receiver has continued to pursue a variety of litigation claims and he  
6 continues to evaluate other potential claims. Below is a description of litigation  
7 matters that remained open during the fourth quarter of 2023.

8 **1. DLIF Net Winner and Commission Claims**

9 The Net Winner Claims for fraudulent transfers to investors brought  
10 pursuant to the Receiver's Motion for Authority to Pursue Avoidance Actions,  
11 Approval of Proposed Procedures, and Approval of Form and/or Limitation of  
12 Notice Under Local Rule 66-7 (Doc. No. 356) (the "Procedures Motion")  
13 approved by the Court on April 6, 2021 (Doc. No. 526) are now resolved. The  
14 settled Net Winner claims have brought in approximately \$28.2 million in cash  
15 payments and offset distributions pursuant to other settlement agreements. The  
16 one pending complaint against foreign institutional defendants located in Korea  
17 remains pending at this time. This case is discussed in more detail below. The  
18 settled Commission claims have brought in over \$960,000 in cash payments and  
19 offset distributions pursuant to other settlement agreements.

20 The Receiver and his counsel continued to address the few unresolved  
21 claims for recovery of overpaid commissions. They continued to engage in  
22 settlement discussions and to enter into tolling agreements regarding these few  
23 remaining claims.

24 *2. Bradley D. Sharp, as the Permanent Receiver of the Estate of*  
25 *Direct Lending Investments, LLC, et al. v. Shinhan Bank Co.*  
26 *Ltd., et al., Case 2:21-cv-09197 (C.D. Cal.) ("Korean Fund*  
27 *Action")*  
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1 On November 23, 2021, the Receiver filed suit in the Central District of  
2 California against 33 investment funds in DLIF and their trustees and managers,  
3 alleging that the over \$166 million that those 33 investment funds received in  
4 redemptions, including fictitious profits of nearly \$16 million, were fraudulent  
5 transfers. The defendants did not agree to waive service, so the Receiver filed a  
6 motion seeking authority to serve the complaint without translation of the  
7 exhibits on defendants pursuant to the Convention of 15 November 1965 on the  
8 Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial  
9 Matters (the “Hague Convention”) (Doc. No. 15). The Court approved the motion  
10 by order entered on April 1, 2022 (Doc. No. 18).

11 The defendants were all served through the Hague Convention in early  
12 June 2022, and the parties have been engaged in ongoing settlement discussions.  
13 The Receiver has entered into multiple stipulations to continue the deadline to  
14 respond to the complaint as the parties have continued to engage in settlement  
15 discussions. The most recent stipulations provide for the deadline for defendants  
16 to respond to the Complaint to be extended to and including October 31, 2023.  
17 (Doc. Nos. 58, 60).

18 During this past quarter, the Receiver finalized the terms of settlement with  
19 the defendants and those settlement agreements were executed. The agreements  
20 provide for a stay of the litigation to permit the Receiver the opportunity to pursue  
21 discovery pursuant to the Hague Convention. The Receiver served his discovery  
22 and the matter will be stayed until the discovery is complete and the Receiver  
23 determines whether to amend or dismiss the complaint.

24 3. *Bradley D. Sharp, as the Permanent Receiver of the Estate of*  
25 *Direct Lending Investments, LLC, et al. v. Strawberry Peak Trust*  
26 *and Primus Trust*, Case No. 2:22-cv-789 (C.D. Cal.)  
27 (“Strawberry Peak Action”)  
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1 On February 4, 2022, the Receiver filed a complaint against two foreign  
2 trusts relating to \$11.4 million originating from DLI that was directed to an  
3 offshore trust by Ross and his entities. The complaint alleges that the transfer of  
4 these funds are avoidable transfers that should be returned to the estate. The  
5 Receiver determined to proceed with the international service of the complaint,  
6 and the complaint was served on Primus Trust, one of the Defendants, on  
7 December 15, 2022. The Receiver entered into an initial stipulation with Primus  
8 Trust to extend the response deadline to give the parties an opportunity to discuss  
9 possible resolution, which was approved by the Court.

10 Defendant Primus represents that The Strawberry Peak Trust does not  
11 exist as an entity under the laws of Hungary. Defendant Primus Trust further  
12 contends that The Strawberry Peak Trust is only a contractual relationship  
13 between the settlor and the fiduciary asset manager and cannot be sued since it  
14 does not exist as an entity.

15 Plaintiff and Defendant have been engaged in discussions and sought  
16 additional time to discuss issues in the Complaint before any response to the  
17 Complaint is due. The deadline for Primus Trust to answer, move to dismiss,  
18 including any and all jurisdictional challenges, or otherwise respond to the  
19 Complaint was extended until January 31, 2024. Primus Trust has filed a  
20 motion to dismiss which is set for hearing on April 29, 2024.

21 The Receiver continued to evaluate the possibility of amending the  
22 complaint to name additional individuals and entities and, in that process,  
23 pursued discussions with counsel for Brendan Ross and Jill Jasen. The parties  
24 have not yet been able to reach agreement and the Receiver continues to evaluate  
25 amendment of the complaint to name the additional parties.  
26  
27  
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1                   4. *Bradley D. Sharp, as the Permanent Receiver of the Estate of*  
2                   *Direct Lending Investments, LLC, et al. v. Duff & Phelps, LLC,*  
3                   Index No. 652332/2021 (N.Y. Sup. Ct., N.Y. County) (“Duff &  
4                   Phelps Action”)

5                   On September 3, 2020, the Receiver filed suit in the Central District of  
6                   California against Duff & Phelps alleging claims for professional negligence,  
7                   gross negligence, aiding and abetting breach of fiduciary duty, negligent  
8                   misrepresentation, and breach of contract. Duff & Phelps filed a motion to  
9                   dismiss. This Court granted the motion to dismiss based on a forum selection  
10                  clause that the case must be litigated in New York state court. On April 8, 2021,  
11                  Diamond McCarthy, on behalf of the Receiver, filed a complaint against Duff &  
12                  Phelps in the New York County Supreme Court, *Bradley D. Sharp, as the*  
13                  *Permanent Receiver of the Estate of Direct Lending Investments, LLC, et al. v.*  
14                  *Duff & Phelps, LLC*, New York County Supreme Court Index No. 652332/2021.  
15                  The New York state court entered an Order Dismissing the Amended Complaint  
16                  on February 15, 2023 (the “Dismissal Order”).

17                  The Receiver appealed the Dismissal Order. The Receiver filed a motion  
18                  seeking to engage Diamond McCarthy as his primary counsel to pursue the Duff  
19                  & Phelps Appeal, which was granted by the Court on May 23, 2023 (Doc. No.  
20                  893). Diamond McCarthy filed the Receiver’s appellate brief in September 2023.

21                  The Receiver continued to engage in settlement discussions with Duff &  
22                  Phelps. A mediation took place in September in New York with Duff & Phelps  
23                  and the investor plaintiff groups. The matter did not settle at mediation, but the  
24                  parties continued to engage in settlement discussions and reached terms of a  
25                  settlement following the mediation. The parties are in the process of documenting  
26                  the terms of the settlement, which includes resolution with the investor groups as  
27                  well.

1                   5. *Bradley D. Sharp, as the Permanent Receiver of the Estate of*  
2                   *Direct Lending Investments, LLC, et al. v. EisnerAmper, LLP,*  
3                   Index No. 656686/2021 (N.Y. Sup. Ct., N.Y. County)  
4                   (“EisnerAmper Action”)

5           While a previous mediation with the Receiver, related parties and  
6   EisnerAmper was not successful in April 2021, the parties continued to explore  
7   ways to potentially resolve the litigation. The Receiver filed his complaint on  
8   November 24, 2021 in New York. The Receiver filed a motion seeking to  
9   substitute in Raines Feldman LLP in as his counsel in place of Sullivan Blackburn  
10   & Pratt LLP, which was granted by the Court on May 23, 2023 (Doc. No. 893).  
11   EisnerAmper filed a motion to dismiss on March 21, 2023 (Doc. Nos. 26-39).  
12   The Receiver entered into a stipulation with EisnerAmper to extend the  
13   opposition deadline to September 15, 2023 to allow the parties an opportunity to  
14   discuss resolution, which was so ordered by the court on April 28, 2023 (Doc.  
15   No. 41). The parties attended mediation on August 18, 2023, along with the other  
16   investor groups.

17           Although the matter did not settle at the mediation, the parties continued  
18   to discuss resolution and have reached a settlement in principle. The Receiver  
19   and his team have continued to work with EisnerAmper and the investor groups  
20   to finalize and document the terms of settlement.

21                   6. Other Possible Claims

22           The Receiver and counsel have identified possible additional litigation  
23   targets, outlined possible legal and other theories of recovery, and entered into  
24   tolling agreements with a number of potential defendants. This work product and  
25   the active work, which is ongoing, will provide the basis for recommendations  
26   concerning whether or not to initiate litigation against potential defendants to  
27   pursue recoveries for the benefit of the receivership estate, investors, and  
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creditors.

The Receiver intends to continue to evaluate claims and work toward establishing a mediation process with certain former directors and officers of the Receivership Entities to try to resolve claims against them.

The Receiver and his counsel have continued to investigate possible insider claims, such as the entities of Brendan Ross, and his family members, and related entities.

The Receiver and his counsel have also pursued claims against finders, sales agents, and broker-dealers who received commissions. The Receiver has negotiated several settlements with these finders, all of which were settled pursuant to the settlement parameters regarding these commission claims. He continues to engage in settlement discussion with a few remaining commission recipients.

### **III. Court Filings October 1, 2023 through December 31, 2023**

#### **A. Motions Concerning Administration of the Estate**

The Receiver filed a motion for approval and payment of fees of the Receiver and his professionals on November 7, 2023, for the period from October 1, 2023 to December 31, 2023 (Doc. No. 909). The Court approved the motion by order entered on October 3, 2023 (Doc No. 916).

On November 7, 2023, the Receiver filed his Nineteenth Status Report covering the period of October 1, 2023 to December 31, 2023 (Doc. No. 915).

#### **B. Anticipated Motions**

The Receiver continues to work actively to recover the balance on the remaining loan and investment portfolios. Subject to ongoing discussions, the Receiver may reach restructuring or settlement agreements with other counterparties during this quarter, or thereafter. If successful, the Receiver will file motions for approval of those agreements.



1 The Receiver also anticipates filing a motion seeking approval of one or  
2 more settlement agreements if he is able to finalize pending agreements and  
3 determines that court approval is necessary and appropriate.

4 **IV. Status of Implementation of Distribution Plan**

5 **A. Rising Tide Distributions**

6 The Receiver's motion to approve a Distribution Plan, among other things,  
7 was approved by Order entered on December 14, 2020 (Doc No. 321), which  
8 provided for the following relief: 1) approval of the Distribution Plan; 2) approval  
9 of rising tide distribution methodology with respect to DLIF investor claims; and  
10 3) approval of an interim \$150 million distribution. A total of 1,180 claims were  
11 submitted to the Receiver.

12 The Receiver made distributions pursuant to the Distribution Plan in the  
13 first and second interim distributions following Court approval. As of September  
14 30, 2023, the Receiver has sent distributions in the approximate amount of  
15 \$104.12 million to 750 investors as part of his first interim distribution, \$51.03  
16 million to 787 investors as part of his second interim distribution, and \$23.3  
17 million as part of his third interim distribution. As of September 30, 2023, the  
18 amount of \$0.07 million, including \$0.05 million from the first distribution and  
19 \$0.02 million from the second distribution, remains reserved as the Receiver  
20 continues to evaluate and address certain related party claims.

21 The Rising Tide percentage for distribution in the case is 43.13% as of  
22 August 31, 2023, following the third interim distribution.

23 The Receiver filed a Motion for Third Interim Distribution on July 26,  
24 2023 (Doc. No. 902). That Motion was granted on August 25, 2023 (Doc No.  
25 906). The Receiver's third interim distribution distributed \$1,500,000 from the  
26 common fund to DLIF and DLIFF, to be divided on a *pro rata* basis pursuant to  
27 the terms of the claims stipulation previously approved as between those two  
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1 entities. Of that sum, \$458,289 was distributed to DLIFF Class 3 and \$1,041,711  
2 was distributed to DLIF Class 4. The Receiver also distributed an additional  
3 \$18,500,000 only to DLIF Investors pursuant to the rising tide methodology,  
4 which funds were derived solely from Net Winning Proceeds. The Receiver also  
5 distributed \$3,805,638 from the SAI Settlement in the distribution to DLIF  
6 Investors. The third interim distribution brought the level of distribution to DLIF  
7 Investors to 48.13%.

8 **B. Deloitte Settlement Distribution**

9 Following Court approval of the settlement with the Deloitte Entities, and  
10 pursuant to the order approving the distribution methodology of the Deloitte  
11 settlement funds, the Receiver distributed the Deloitte settlement funds as  
12 follows. The total amount distributed to DLIF investors was \$18,299,383.76. The  
13 distribution, which was sent out on December 16, 2022, was to 888 DLIF  
14 investors, representing \$301,874,649.03 in total DLIF claims. This distribution,  
15 as opposed to the Rising Tide Distribution, was made to all DLIF investors with  
16 a claim and not just those whose distributions were below the Rising Tide level.

17 **C. Reserved Distributions**

18 The Receiver and his professionals identified a number of claims that they  
19 have considered objecting to, or have objected to, particularly with respect to  
20 indemnity claims and counter-party claims, insider claims, certain claims filed as  
21 administrative claims, and claims of investors that redeemed investments close  
22 to the collapse of the DLI funds. The Receiver and his professionals have  
23 continued to investigate these claims. Per the mechanism laid out in the  
24 Distribution Plan, the Receiver sent out objection reservation notices, entered  
25 into stipulations to resolve the claim disputes, and filed objections to certain  
26 claims. As of December 31, 2023, the Receiver and his counsel have resolved all  
27 but four of these investor claims. The Receiver had reserved \$0.07 million,  
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1 including \$0.05 million from the first distribution and \$0.02 million from the  
2 second distribution, for these 4 unresolved related party claims. These include  
3 claims of possible insiders, such as the entities of Brendan Ross, and his family  
4 members, and certain former DLI employees.

5 **V. Communications with Investors**

6 A. Investor Inquiries: The Receiver continues to track investor  
7 inquiries received directly by the Receiver's agents and by counsel, as well as  
8 responses to the inquiries. The Receiver continues to review and respond to  
9 investor inquiries, written and oral, and the Receiver's website for the case:  
10 <https://cases.stretto.com/dli> includes copies of case filings and other materials of  
11 interest to keep investors informed regarding the status of the case and the  
12 Receiver's activities. The Receiver continues to actively engage certain investor  
13 groups in response to their inquiries for updates on the case status, assets, and  
14 litigation.

15 B. FAQs: The Receiver's website for the case also includes a series of  
16 "Frequently Asked Questions" and responsive information regarding the impact  
17 of the receivership on DLI and the investors' funds, the status of the receivership,  
18 and the Receiver's activities, the claims process in a receivership, and other  
19 similar information. The Receiver continues to periodically update the FAQs to  
20 address new issues or actions that may be of interest to investors as the case  
21 progresses.

22 **VI. Pending Litigation by Investors**

23 A. *Marcia Kosstrin Trust and Professional Home Improvements, Inc.*  
24 *Retirement Plan v. Direct Lending Investments, LLC, et al.*, Case No.  
25 2:19-cv-02452 (C.D. Cal.) ("Proposed Class Action")

26 As previously reported, on the same date the Receiver Order was entered,  
27 a class action complaint was filed in this Court by Marcia Kosstrin Trust and  
28

Professional Home Improvements, Inc. Retirement Plan against DLI, Brendan Ross, Bryce Mason, Frank Turner, Rodney Omanoff, and QuarterSpot, Inc. The Receiver, through counsel, filed a notice of stay of the action based on Section IX of the Receiver Order. The stay of the action remains in place, and there has been no further formal activity in the Proposed Class Action since the notice of stay was filed. Counsel for the putative class of investors, however, has been working on potential claims in cooperation with the Receiver and were active participants in the settlement process with the Deloitte Entities and in the EisnerAmper mediation.

B. *Forefront Partners, LLC v. Rodney Omanoff, et al., and Counterclaims*, Index No. 650973/2017 (N.Y. Sup. Ct., N.Y. County) (“Forefront Partners Action”)

On June 19, 2019, the Plaintiff in the Forefront Partners Action filed a motion in this Court to lift the stay of actions under the Receiver Order. (Doc. No. 81.) The Court denied that motion by its order entered July 17, 2019 (Doc. No. 96). The parties to the Forefront Partners Action entered into a stipulation approved by the New York Court that stays the Forefront Partners Action as to the claims, cross claims and claims against Brendan Ross, DLI TC, LLC, Direct Lending Investments, LLC, Direct Lending Income Fund, L.P., VoIP Guardian Partners I, LLC until such time as the receivership and/or the VoIP bankruptcy are resolved.

C. *Alfred Jackson, et al. v. Deloitte & Touche, LLP, Deloitte Tax, LLP, and Opus Fund Services (USA) LLC*, Case No. 20GDCV00419 (Cal. Sup. Ct., Los Angeles) (“Jackson Action”)

On April 28, 2020, a group of investors filed suit in Los Angeles Superior Court against Deloitte & Touche, LLP, Deloitte Tax, LLP, and Opus Fund Services (USA) LLC (“Opus”) alleging claims for misrepresentation. Opus

1 removed the case to the Central District of California and filed a motion to  
2 compel arbitration. On July 31, 2020, the Receivership Court issued an order  
3 denying the motion to compel arbitration and remanding the case to state court.  
4 In connection with the global settlement with the Deloitte Entities, the claims  
5 against Deloitte & Touche in this proceeding have now been resolved, narrowing  
6 the claims and defendants in this case. Opus Fund continues to seek to prosecute  
7 its cross claims in connection with this case.

8 *D. Atkins Investment Group et al. v. Duff & Phelps, LLC*, Case No. 1:22-  
9 cv-1168 (S.D.N.Y.), and *Baer et al. v. Duff & Phelps, LLC*, No. 1:22-  
10 cv-994 (S.D.N.Y.) (“Duff & Phelps DLI Investor Litigation”)

11 On February 3 and 10, 2022, a group of investors filed nearly identical  
12 suits in federal court in the Southern District of New York against Duff & Phelps  
13 LLC (“Duff & Phelps”) for conduct arising from the DLI matter, after those cases  
14 were dismissed by this Court for lack of personal jurisdiction. Following a  
15 suggestion by the Court, the complaints were consolidated by the Court. These  
16 parties participated in the global mediation with Duff & Phelps which took place  
17 in New York in September 2023.

18 *E. Atkins Investment Group et al. v. EisnerAmper, LLC*, Case No. 4:21-  
19 cv-990 (N.D. Cal.), and *Baer v. EisnerAmper LLC*, Case No.  
20 20GDCV00407 (Cal. Sup. Ct., Los Angeles) (“EisnerAmper Investor  
21 Litigation”)

22 On February 8, 2021, a group of investors filed the Atkins action in federal  
23 court for the Northern District of California, and on March 22, 2021, a group of  
24 investors filed the action in Los Angeles County Superior Court, both against  
25 EisnerAmper LLC (“EisnerAmper”) for conduct arising from the DLI matter.  
26 These parties participated in the global mediation with EisnerAmper which took  
27 place in August 2023.

**VII. Cayman Activities**

The Receiver and his professionals continued to spend time coordinating with counsel and Cayman Island professionals to monitor the liquidation of DLIFF. They worked closely with Cayman Island professionals to research and evaluate information and documents and prepare material in connection with investor requests, claims review, distributions, bank accounts, and third-party litigation efforts. Any time spent by the Receiver in his role as a Joint Official Liquidator is being charged to the DLIFF Cayman Liquidation. The compensation requested as a Joint Official Liquidator is subject to the approval process in the Cayman courts.

DATED: February 28, 2024

RAINES FELDMAN LITTRELL LLP

By: /s/ Kathy Bazoian Phelps

Kathy Bazoian Phelps

Counsel for Bradley D. Sharp

Permanent Receiver

# EXHIBIT 1

**Consolidated Direct Lending Investments Receivership Domestic Entities** <sup>[1]</sup>

**Three Month Actual v. Budget: DOMESTIC ENTITIES**

\$ in 000's

	10.1.23 - 12.31.23			
	Actual	Budget	Favorable (Unfavorable) \$ Var	% Var
<b>Receipts</b>				
Net Portfolio Collections	\$ 142	\$ -	\$ 142	NM
Money Market Interest Income	215	-	215	NM
Total Net Portfolio Collections (see schedule on pg. 2)	357	-	357	NM
Other Receipts <sup>[2]</sup>	167	-	167	NM
Total Other Receipts	167	-	167	NM
Total Receipts	523	-	523	NM
<b>Disbursements:</b>				
Payroll	89	98	9	9%
Taxes	-	-	-	-
Other Operating (see schedule on pg. 3)	23	38	15	39%
OCP Services (see schedule on pg. 4)	38	69	31	46%
Operating Disbursements	150	205	55	27%
Professionals: <sup>[3]</sup>				
Bradley D. Sharp / DSI - General	137	285	148	52%
Bradley D. Sharp / DSI - DLIF	20	40	20	50%
Raines Feldman - General	60	225	165	73%
Raines Feldman - Litigation	12	150	138	92%
Raines Feldman - DLIF	1	6	5	77%
BRG	10	8	(2)	(25%)
Stretto	11	25	14	55%
Goldberg Kohn LTD	-	15	15	100%
LaMonica Herbst & Maniscalco LLP	-	-	-	-
Total Professionals	253	754	501	67%
<b>Total Disbursements Before Claim Distributions and Counterparty Fundings</b>	<b>403</b>	<b>959</b>	<b>557</b>	<b>58%</b>
Income Tax Payments <sup>[4]</sup>	2,263	-	(2,263)	NM
DLIF Investor Claim Distributions <sup>[5]</sup>	2,449	3,927	1,478	NM
Deloitte Settlement Legal Fees and DLIF Investor Claim Distributions <sup>[6]</sup>	-	482	482	NM
Total Disbursements	5,114	5,368	254	NA
<b>Net Cash Flow</b>	<b>\$ (4,591)</b>	<b>\$ (5,368)</b>	<b>\$ 777</b>	<b>NM</b>
Cash, Beginning Balance (Book)	\$ 27,620	\$ 27,620	\$ -	NM
Net Cash Flow	(4,591)	(5,368)	777	NM
<b>Cash, Ending Balance (Book)</b>	<b>\$ 23,029</b>	<b>\$ 22,251</b>	<b>\$ 777</b>	<b>NM</b>

Note: Variances may be due to timing differences.

[1] Direct Lending Investments, LLC, Direct Lending Income Fund, L.P., DLI Capital, Inc., DLI Lending Agent, LLC, DLI Assets Bravo, LLC, and their successors, subsidiaries and affiliated entities have been consolidated and are collectively referred to in this report as the "Consolidated Direct Lending Investments Receivership Domestic Entities."

[2] Receipts represent \$100.6K in federal tax refunds and \$128.1K in net winner and commission fee recoveries net fees and expenses totaling \$62.1K paid to Raines Feldman Littrell LLP for recovery services provided from June 2022 to October 2023.

[3] Budgeted Professional fees and expenses are subject to court approval. Actual fees and expenses are presented on an actual and accrual basis and are subject to change based upon receipt of invoices.

[4] Disbursements comprise of \$2.26 million in estimated federal income taxes for the year 2023 and \$148 in state income taxes for the 2022 tax year.

[5] Budget amount represents funding of bank accounts used solely for holding claim reserves and processing claim distributions. Actual amount represents distribution checks sent to and cashed by DLIF investors with Class 4B allowed claims and a pre-receivership recovery percentage below 48.13%.

[6] Budget amount represents funding of bank accounts used solely for holding Deloitte Settlement proceeds and processing payments of related legal fees and claim distributions. Actual amount represents legal fee payments and distribution checks sent to and cashed by DLIF investors with allowed claims for this special distribution.

**Consolidated Direct Lending Investments Receivership Domestic Entities**  
**Summary of Total Portfolio Collections**  
*\$ in 000's*

	<b>4.1.19 - 9.30.23</b>	<b>10.1.23 - 12.31.23</b>	<b>Total</b>
<b>Money Market Interest</b>	\$ 3,651	\$ 215	\$ 3,866
<b>Normal Course Interest Payments</b>	37,192	125	37,317
Total Full/Partial Payoff - Principal, Interest and Penalties	248,934	-	248,934
Remittance to Third Party <sup>[1]</sup>	(30,597)	-	(30,597)
<b>Net Full/Partial Payoff - Principal, Interest and Penalties</b>	<u>218,338</u>	<u>-</u>	<u>218,338</u>
Wholly Owned Loan - Principal & Interest	12,171	17	12,187
Remittance to Third Party <sup>[2]</sup>	(3,298)	-	(3,298)
<b>Net Wholly Owned Loan - Principal &amp; Interest</b>	<u>8,873</u>	<u>17</u>	<u>8,890</u>
<b>Total Net Portfolio Collections</b>	<u><u>\$ 268,054</u></u>	<u><u>\$ 357</u></u>	<u><u>\$ 268,410</u></u>

[1] Net Cash Principal & Interest remittances to Quanta related to \$0.904M for Investment S, and to DLG related to \$12.600M for Investment S, \$10.708M for Investment T, and \$6.385M for FastPay Partners.

[2] Net Cash remittance of \$919K to Pier Asset Management in connection with the Dealstruck sale, and \$2.371M of Principal & Interest to DLG for Quarterspot receipts (3/2019-1/2022), and \$8K paid to Titan Asset Purchasing LLC for pass through of Interest on Quarterspot loans purchased in 2021.



Consolidated Direct Lending Investments Receivership Domestic Entities  
Actual v. Budget: Other Operating Disbursements

	10.1.23 - 12.31.23			
	Actual	Budget	Favorable (Unfavorable) \$ Var	% Var
<b>GP</b>				
<b>General &amp; Administrative</b>				
BizFilings	\$ -	\$ 500	\$ 500	100%
Insurance	-	-	-	-
<b>IT Services &amp; Software</b>				
Adobe	216	180	(36)	(20%)
Advanced Networks Solutions	9,871	10,200	329	3%
Atlassian	30	36	6	17%
AWS	851	1,050	199	19%
Broadvoice	210	225	15	7%
Corodata	199	210	11	5%
Dropbox	360	360	-	-
Send2fax.com	36	45	9	20%
<b>Total GP</b>	11,772	12,806	1,034	8%
<b>Fund</b>				
<b>General &amp; Administrative</b>				
BizFilings	-	1,500	1,500	100%
<b>Other Operating Expenses</b>				
Mediation Fees <sup>[1]</sup>	4,378	7,500	3,122	42%
Independent Consultants – Loan Recovery Services	2,470	3,000	530	18%
Lien Solutions	-	7,500	7,500	100%
<b>Total Fund</b>	6,848	19,500	12,652	65%
<b>Other <sup>[2]</sup></b>	4,854	6,000	1,146	19%
<b>Total Other Operating Disbursements</b>	<b>\$ 23,474</b>	<b>\$ 38,306</b>	<b>\$ 14,832</b>	<b>39%</b>

Note: Variances may be due to timing differences.

[1] Mediation fees related to litigation matters.

[2] Other disbursements include FedEx, bank fees, translation fees, cloud storage subscription expenses, and monthly fees related to Bill.com and QuickBooks.

**Consolidated Direct Lending Investments Receivership Domestic Entities**

**Actual v. Budget: OCP Services Disbursements**

*\$ in 000's*

	10.1.23 - 12.31.23			
	Actual	Budget	Favorable (Unfavorable)	
			\$ Var	% Var
<b>Fund</b>				
Millennium Trust Company	\$ 6	\$ 20	\$ 14	68%
Parker, Simon & Kokolis, LLC <sup>[1]</sup>	1	3	2	58%
	8	23	15	66%
<b>GP</b>				
Lucas, Horsfall, Murphy & Pindroh, LLP	-	1	1	100%
Elite Discovery	30	45	15	34%
	30	46	16	35%
<b>Total OCP Services Disbursements</b>	<b>\$ 38</b>	<b>\$ 69</b>	<b>\$ 31</b>	<b>46%</b>

Note: Variances may be due to timing differences.

[1] Budgeted amounts include out-of-pocket expenses and contingency collections fees.

**Consolidated Direct Lending Investments Receivership Domestic Entities**  
**Accrued Professional Fees/Bank Cash Reconciliation**  
Month Ending December 31, 2023

Cash Balance per Cumulative Actual (Book)	\$	23,028,872
Add: Accrued and Unpaid Professional Fees <sup>[1]</sup>		
Receiver - DSI (April 2019 through December 2023)		1,305,342
Receiver - DSI - DLIF (January 2021 through December 2023)		151,128
DSI - Investment T (July 2020 through December 2023)		528,977
Diamond McCarthy - General (April 2019 through August 2022)		1,282,142
Diamond McCarthy - General - DLIF (March 2021 through August 2022)		55,828
Diamond McCarthy - NW (February 2021 through August 2022)		3,211
Sullivan Blackburn Pratt - General (September through December 2022)		221,177
Raines Feldman Littrell - General (April 2021 through December 2023)		225,728
Raines Feldman Littrell - Litigation (April through December 2023)		29,398
Raines Feldman Littrell - DLIF (April 2021 through December 2023)		3,206
Raines Feldman Littrell - Investment T (August 2021 through December 2023)		58,113
LaMonica Herbst & Maniscalco - General (June through December 2023)		-
Berkeley Research Group (April 2019 through December 2023)		88,217
Stretto - (October 2020 through December 2023)		11,211
Goldberg Kohn LTD (September 2019 through December 2023)		435,002
Total		4,398,680
Actual Bank Cash Balance	\$	27,427,552

[1] Actual Professional fees and expenses are accrued and shown in the disbursements category as available or as estimated. Such fees and expenses are subject to court approval.

**Consolidated Direct Lending Investments Receivership Domestic Entities**

**Bank Cash Balance**

As of December 31, 2023

<b>Account #</b>	<b>Bank Name</b>	<b>Entity</b>	<b>Balance</b>
<u>Pre-Receiveership Bank Accounts</u>			
x1602	Wells Fargo DLI Assets Bravo Operating (MM)	DLI Assets Bravo, LLC	26,127
			26,127
<u>Metropolitan Bank Accounts</u>			
x4148	Metropolitan Bank (Seg. Proceeds)	DLI Assets Bravo, LLC	4
x4164	Metropolitan Bank	DLI Assets Bravo, LLC	336,785
x4229	Metropolitan Bank	DLI Assets Bravo, LLC	5,332
ICS-Accts	Metropolitan Bank / Western Alliance Bank	DLI Assets Bravo, LLC	18,192,925
ICS x4202	Metropolitan Bank	Direct Lending Income Fund, L.P.	1,939,208
ICS x0220	Metropolitan Bank (D&T Settlement Legal Fees)	DLI Receivership	475,000
ICS x0239	Metropolitan Bank (D&T Settlement Distr.)	DLI Receivership	8,661
x2479	Metropolitan Bank (Claims Distr.)	DLI Receivership	1,478,333
ICS x7019	Metropolitan Bank (Commission Rcpts)	DLI Receivership	518,438
x8126	Metropolitan Bank (NW Rcpts)	DLI Receivership	246
ICS x8785	Metropolitan Bank (QS Trust Rcpts)	DLI Receivership	115,797
ICS-Accts	Metropolitan Bank / Western Alliance Bank (Commission Rcpts)	DLI Receivership	231,164
ICS-Accts	Western Alliance Bank (Prof Fees Holdbacks)	DLI Receivership	3,970,016
x4156	Metropolitan Bank - GP Operating	Direct Lending Investments, LLC	129,515
			27,401,425
<b>Total Cash <sup>[1]</sup></b>			<b>27,427,552</b>

[1] Excludes DLIFF bank account balance.

# EXHIBIT 2

**Direct Lending Investments**

**Quarterly Cash Flow Forecast: DOMESTIC ENTITIES - Excluding Receipts and Counterparty Fundings**

USD in 000's

	31-Jan Month 1	29-Feb Month 2	31-Mar Month 3	Total
<b>Disbursements:</b>				
Payroll <sup>[1]</sup>	\$31	\$31	\$37	\$99
Taxes <sup>[2]</sup>	-	-	5	5
Other Operating (see pg. 2)	16	13	12	40
OCP Services (see pg. 3)	26	16	23	65
Operating Disbursements	72	59	78	209
<b>Professionals: <sup>[3]</sup></b>				
Bradley D. Sharp / DSI - General	60	60	60	180
Bradley D. Sharp / DSI - DLIF	15	15	10	40
Raines Feldman Littrell LLP - General	75	75	60	210
Raines Feldman Littrell LLP - Litigation	25	25	25	75
Raines Feldman Littrell LLP - DLIF	2	2	2	6
LaMonica Herbst & Maniscalco LLP	1	1	1	3
BRG	2	1	2	5
Stretto	5	5	5	15
Total Professionals	185	184	165	534
<b>Total Expense-Related Disbursements</b>	<b>257</b>	<b>243</b>	<b>243</b>	<b>743</b>
Cash, Beginning Balance (Book)	\$23,029	\$22,772	\$22,529	\$23,029
Less: Disbursements	257	243	243	743
<b>Cash, Ending Balance (Book) <sup>[4]</sup></b>	<b>\$22,772</b>	<b>\$22,529</b>	<b>\$22,286</b>	<b>\$22,286</b>

Note: This cash forecast excludes all activity for Direct Lending Income Feeder Fund, Ltd ("DLIFF"). Professional fees incurred by DLIFF are subject to review by the Liquidation Committee and ultimately approval by the Cayman court.

[1] Payroll expenses exclude \$22.7K of estimated accrued and unpaid PTO as of 12/31/23. Should the Receiver pursue additional headcount reductions, the amount forecasted for this budget period will also include the corresponding accrued and unpaid PTO for terminated employees. March 2024 payroll expenses include 5 weeks of payroll.

[2] Excludes estimated income taxes payable.

[3] Professional fees and expenses are presented on a monthly accrual basis.

[4] Includes cash held in bank accounts used solely for holding claim reserves and processing claim distributions.

**Direct Lending Investments**

**Quarterly Cash Flow Forecast: Other Operating Disbursements - Consolidated**

	31-Jan Month 1	29-Feb Month 2	31-Mar Month 3	Total
<b>GP</b>				
<b>General &amp; Administrative</b>				
BizFilings	\$500	-	-	\$500
Insurance	2,500	-	200	2,700
<b>IT Services &amp; Software</b>				
Adobe	75	75	75	225
Advanced Networks Solutions	3,400	3,400	3,400	10,200
Atlassian	12	12	12	36
AWS	320	320	320	960
Broadvoice	75	75	75	225
Corodata	70	70	70	210
Dropbox	120	120	120	360
Send2fax.com	15	15	15	45
	7,087	4,087	4,287	15,461
<b>Fund</b>				
<b>General &amp; Administrative</b>				
BizFilings	500	500	-	1,000
<b>Other Operating Expenses</b>				
Mediation Fees	2,500	2,500	2,500	7,500
Independent Consultants – Loan Recovery Services	1,000	1,000	1,000	3,000
Lien Solutions	2,500	2,500	2,500	7,500
	6,500	6,500	6,000	19,000
<b>Other</b>	2,000	2,000	2,000	6,000
<b>Total Other Operating Disbursements</b>	<b>\$15,587</b>	<b>\$12,587</b>	<b>\$12,287</b>	<b>\$40,461</b>

## Direct Lending Investments

### Quarterly Cash Flow Forecast: Ordinary Course Professionals - Consolidated

USD in 000's

Professional	31-Jan Month 1	29-Feb Month 2	31-Mar Month 3	Total
<b>Fund</b>				
Millennium Trust Company	\$8	-	\$7	\$15
Parker, Simon & Kokolis, LLC <sup>[1]</sup>	1	1	1	3
	9	1	8	18
<b>GP</b>				
Lucas, Horsfall, Murphy & Pindroh, LLP	2	-	-	2
Elite Discovery	15	15	15	45
	17	15	15	47
	<b>\$26</b>	<b>\$16</b>	<b>\$23</b>	<b>\$65</b>

[1] Budgeted amounts **include** out-of-pocket expenses and contingency collections fees.



**Direct Lending Investments**

**Quarterly Cash Flow Forecast: DOMESTIC ENTITIES - Excluding Receipts and Counterparty Fundings**

USD in 000's

	30-Apr Month 1	31-May Month 2	30-Jun Month 3	Total
<b>Disbursements:</b>				
Payroll <sup>[1]</sup>	\$32	\$40	\$31	\$103
Taxes <sup>[2]</sup>	-	2	-	2
Other Operating (see pg. 2)	15	12	30	57
OCP Services (see pg. 3)	23	16	24	63
Operating Disbursements	70	70	85	225
<b>Professionals: <sup>[3]</sup></b>				
Bradley D. Sharp / DSI - General	60	55	55	170
Bradley D. Sharp / DSI - DLIF	15	15	10	40
Raines Feldman Littrell LLP - General	60	50	50	160
Raines Feldman Littrell LLP - Litigation	20	20	20	60
Raines Feldman Littrell LLP - DLIF	2	2	2	6
LaMonica Herbst & Maniscalco LLP	1	1	1	3
BRG	2	1	2	5
Stretto	5	5	5	15
Total Professionals	165	149	145	459
Total Expense-Related Disbursements	235	219	230	684
Cash, Beginning Balance (Book)	\$22,286	\$22,051	\$21,832	\$22,286
Less: Disbursements	235	219	230	684
<b>Cash, Ending Balance (Book) <sup>[4]</sup></b>	<b>\$22,051</b>	<b>\$21,832</b>	<b>\$21,602</b>	<b>\$21,602</b>

Note: This cash forecast excludes all activity for Direct Lending Income Feeder Fund, Ltd ("DLIFF"). Professional fees incurred by DLIFF are subject to review by the Liquidation Committee and ultimately approval by the Cayman court.

[1] Payroll expenses exclude \$22.7K of estimated accrued and unpaid PTO as of 12/31/23. Should the Receiver pursue additional headcount reductions, the amount forecasted for this budget period will also include the corresponding accrued and unpaid PTO for terminated employees. May 2024 payroll expenses include 5 weeks of payroll.

[2] Excludes estimated income taxes payable.

[3] Professional fees and expenses are presented on a monthly accrual basis.

[4] Includes cash held in bank accounts used solely for holding claim reserves and processing claim distributions.

**Direct Lending Investments**

**Quarterly Cash Flow Forecast: Other Operating Disbursements - Consolidated**

	30-Apr Month 1	31-May Month 2	30-Jun Month 3	Total
<b>GP</b>				
<b>General &amp; Administrative</b>				
BizFilings	\$500	-	-	\$500
Insurance	-	-	17,500	17,500
<b>IT Services &amp; Software</b>				
Adobe	75	75	75	225
Advanced Networks Solutions	3,400	3,400	3,400	10,200
Atlassian	12	12	12	36
AWS	320	320	320	960
Broadvoice	75	75	75	225
Corodata	70	70	70	210
Dropbox	120	120	120	360
Send2fax.com	15	15	15	45
	4,587	4,087	21,587	30,261
<b>Fund</b>				
<b>General &amp; Administrative</b>				
BizFilings	2,000	-	500	2,500
<b>Other Operating Expenses</b>				
Mediation Fees	2,500	2,500	2,500	7,500
Independent Consultants – Loan Recovery Services	1,000	1,000	1,000	3,000
Lien Solutions	2,500	2,500	2,500	7,500
	8,000	6,000	6,500	20,500
<b>Other</b>	2,000	2,000	2,000	6,000
<b>Total Other Operating Disbursements</b>	<b>\$14,587</b>	<b>\$12,087</b>	<b>\$30,087</b>	<b>\$56,761</b>

## Direct Lending Investments

### Quarterly Cash Flow Forecast: Ordinary Course Professionals - Consolidated

USD in 000's

Professional	30-Apr Month 1	31-May Month 2	30-Jun Month 3	Total
<b>Fund</b>				
Millennium Trust Company	\$7	-	\$8	\$15
Parker, Simon & Kokolis, LLC <sup>[1]</sup>	1	1	1	3
	8	1	9	18
<b>GP</b>				
Lucas, Horsfall, Murphy & Pindroh, LLP	-	-	-	-
Elite Discovery	15	15	15	45
	15	15	15	45
	<b>\$23</b>	<b>\$16</b>	<b>\$24</b>	<b>\$63</b>

[1] Budgeted amounts **include** out-of-pocket expenses and contingency collections fees.

# EXHIBIT 3

Bradley D. Sharp, Receiver  
Development Specialists, Inc.  
333 South Grand Avenue Suite 4100  
Los Angeles, CA 90071  
(213) 617-2717

# STANDARDIZED FUND ACCOUNTING REPORT

CIVIL - RECEIVERSHIP FUND

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Consolidated Direct Lending Investments Receivership Entities <sup>1</sup>

Civil Court Docket No. 2:19-cv-02188-DSF-MRW

Reporting Period 10/01/2023 to 12/31/2023

**Note 1:** Direct Lending Investments, LLC, Direct Lending Income Fund, L.P., Direct Lending Income Feeder Fund, Ltd., DLI Capital, Inc., DLI Lending Agent, LLC, DLI Assets Bravo, LLC, and their successors, subsidiaries and affiliated entities have been consolidated and are collectively referred to in this report as the “Consolidated Direct Lending Investments Receivership

STANDARDIZED FUND ACCOUNTING REPORT for Consolidated Direct Lending Investments Receivership Domestic Entities - Cash Basis  
 Receivership; Civil Court Docket No. 2:19-cv-02188-DSF-MRW  
 Reporting Period 10/01/2023 to 12/31/2023

Fund Accounting (See Instructions):			
	Detail	Subtotal	Grand Total
Line 1 Beginning Balance (As of 10/1/2023):			\$ 32,367,539
<i>Increases in Fund Balance:</i>			
Line 2 Business Income	140,500		
Line 3 Cash and Securities	-		
Line 4 Interest/Dividend Income	218,659		
Line 5 Business Asset Liquidation	-		
Line 6 Personal Asset Liquidation	-		
Line 7 Third-Party Litigation Income	-		
Line 8 Miscellaneous - Other <sup>[1]</sup>	54,875		
Total Funds Available (Lines 1 - 8):		414,033	32,781,573
<i>Decreases in Fund Balance:</i>			
Line 9 Disbursements to Investors <sup>[2]</sup>	2,375,503	2,375,503	
Line 10 Disbursements for Receivership Operations:			
Line 10a Disbursements to Receiver or Other Professionals	370,574		
Line 10b Business Asset Expenses	142,454		
Line 10c Personal Asset Expenses	-		
Line 10d Investment Expenses	-		
Line 10e Third-Party Litigation Expenses			
1. Attorney Fees	292,991		
2. Litigation Expenses	6,265		
Total Third-Party Litigation Expenses	299,256		
Line 10f Tax Administrator Fees and Bonds	-		
Line 10g Federal and State Tax Payments	2,166,234		
Total Disbursements for Receivership Operations		2,978,518	
Line 11 Disbursements for Distribution Expenses Paid by the Fund: <sup>[3]</sup>			
Line 11a Distribution Plan Development Expenses:			
1. Fees:			
Fund Administrator	-		
Independent Distribution Consultant (IDC)	-		
Distribution Agent	-		
Consultants	-		
Legal Advisers	-		
Tax Advisers	-		
2. Administrative Expenses	-		
3. Miscellaneous	-		
Total Plan Development Expenses	-		
Line 11b Distribution Plan Implementation Expenses:			
1. Fees:			
Fund Administrator	-		
IDC	-		
Distribution Agent	-		
Consultants	-		
Legal Advisers	-		
Tax Advisers	-		
2. Administrative Expenses	-		
3. Investor Identification:	-		
Notice/Publishing Approved Plan	-		
Claimant Identification	-		
Claims Processing	-		
Web Site Maintenance/Call Center	-		
4. Fund Administrator Bond	-		
5. Miscellaneous	-		
6. Fed Acct. for Investor Restitution (FAIR) Reporting Expenses	-		
Total Plan Implementation Expenses	-		
Total Disbursements for Distribution Expenses Paid by the Fund		-	
Line 12 Disbursements to Court/Other:			
Line 12a Investment Expenses/Court Registry Investment System (CRIS) Fees	-		
Line 12b Federal Tax Payments	-		
Total Disbursements to Court/Other		-	
Total Funds Disbursed (Line 9 - 12)			\$ 5,354,021
Line 13 Ending Balance (As of 12/31/2023):			\$ 27,427,552

Note: This report excludes all cash activity for Direct Lending Income Feeder Fund, Ltd ("DLIFF"). Transfers between the accounts of the consolidated entities on this report are not included in the schedules contained herein.

STANDARDIZED FUND ACCOUNTING REPORT for Consolidated Direct Lending Investments Receivership Domestic Entities - Cash Basis  
 Receivership; Civil Court Docket No. 2:19-cv-02188-DSF-MRW  
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	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>		
Line 14a	Cash & Cash Equivalents		\$ 27,427,552
Line 14b	Investments		TBD
Line 14c	Other Assets or Uncleared Funds		TBD
	<b>Total Ending Balance of Fund - Net Assets</b>		<b>\$ 27,427,552</b>

**OTHER SUPPLEMENTAL INFORMATION:**

	<u>Detail</u>	<u>Subtotal</u>	<u>Grand Total</u>
	<b>Report of Items NOT To Be Paid by the Fund:</b>		
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>		
Line 15a	Plan Development Expenses Not Paid by the Fund:		
	1. Fees:		
	Fund Administrator		
	IDC		
	Distribution Agent		
	Consultants		
	Legal Advisers		
	Tax Advisers		
	2. Administrative Expenses		
	3. Miscellaneous		
	Total Plan Development Expenses Not Paid by the Fund		
Line 15b	Plan Implementation Expenses Not Paid by the Fund:		
	1. Fees:		
	Fund Administrator		
	IDC		
	Distribution Agent		
	Consultants		
	Legal Advisers		
	Tax Advisers		
	2. Administrative Expenses		
	3. Investor Identification:		
	Notice/Publishing Approved Plan		
	Claimant Identification		
	Claims Processing		
	Web Site Maintenance/Call Center		
	4. Fund Administrator Bond		
	5. Miscellaneous		
	6. FAIR Reporting Expenses		
	Total Plan Implementation Expenses Not Paid by the Fund		
Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund		
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>		
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund:</b>		
Line 16a	Investment Expenses/CRIS Fees		
Line 16b	Federal Tax Payments		
	<b>Total Disbursements to Court/Other Not Paid by the Fund</b>		
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>		
<b>Line 18</b>	<b>No. of Claims:</b>		
Line 18a	# of Claims Received This Reporting Period <sup>[4]</sup>		0
Line 18b	# of Claims Received Since Inception of Fund <sup>[4]</sup>		1,204
<b>Line 19</b>			
Line 19a	# of Claimants/Investors Paid This Reporting Period		85
Line 19b	# of Claimants/Investors Paid Since Inception of Fund		888

[1] Amount represents recoveries from Net Winners and Commission Fees.

[2] Amount represents 3rd interim distribution checks cashed by DLIF investors and distribution offsets for Commission Fee recoveries.

[3] Costs are reflected in Line 10 (Disbursements for Receivership Operations). Breaking out fees and expenses associated with the distribution plan specifically would be burdensome and can be provided upon request or gleaned from the fee applications of the Professionals.

[4] Does not include claims filed in the Cayman Liquidation.

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Receivership; Civil Court Docket No. 2:19-cv-02188-DSF-MRW  
Reporting Period 10/01/2023 to 12/31/2023

Receiver:

By:



(Signature)

Bradley D. Sharp

(Printed Name)

Receiver

(Title)

Date: February 6, 2024



# EXHIBIT 4

**Investment Portfolio Summary (Positions as of 12/31/2023)**

(\$ in millions)

(\$ in millions)

						A	B	C	D	E = A + B + D
#	Investment	Form of Investment	Collateral	Initial Inv. Date	Maturity Date	3/31/2019 Par Debt Amount	Net Advances / (Collections) - Principal	Net Advances / (Collections) - Interest	Principal Adjustments <sup>[1]</sup>	12/31/2023 Uncollected Balance
1	Investment D	Whole Loans	Small balance commercial real estate	7/31/2015	N/A	\$1.4	(\$0.0)	-	(\$0.9)	\$0.5
2	Investment G	Asset-Based Facility	Purchase order finance	3/1/2017	1/1/2022	\$8.6	(\$0.7)	(\$0.0)	-	\$7.9
3	Investment H	Corporate Term Loan	All assets lien over entity (no pledge of stock)	2/1/2016	12/31/2021	\$98.7	(\$36.1)	-	-	\$62.6
4	Investment N	Asset-Based Facility	Accounts receivable, purchase order finance and movie film finance	9/1/2015	3/14/2023	\$69.3	(\$0.5)	(\$24.0)	-	\$68.8
5	All Other Investments					\$611.6	(\$169.5)	(\$19.8)	(\$442.1)	-
Total						\$789.6	(\$206.9)	(\$43.8)	(\$443.0)	\$139.8

[1] Includes adjustments for full and partial write-downs of asset values in connection with discounted payoffs, debt to equity conversions and the Receiver's estimation of uncollectible amounts.