

**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)

**2022 ANNUAL STATUS REPORT OF RECEIVER DAVID A. CASTLEMAN**

**(THIRD STATUS REPORT)**

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February 15, 2023

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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 2022 Annual Status Report (the “**Report**”) to summarize for the Court the activities of the receivership (the “**Receivership**”) for the year 2022, as well as to provide updates since the Second Status Report filed on October 12, 2022 [Dkt. 163] (the “**October 2022 Status Report**”). While this Report will serve as the 2022 annual report for the entire receivership, it focuses specifically on developments since the October 2022 Status Report. To the extent that events since January 1, 2023 are relevant for context, the Report will generally so note. Going forward, the Receiver expects to file status reports for each calendar Quarter within 30 days after the end of such calendar Quarter.<sup>1</sup>

## I. INTRODUCTION AND EXECUTIVE SUMMARY

Throughout 2022, the Receiver and his team have continued their efforts to recover and preserve the assets of EminiFX, Inc. (“**EminiFX**”), as well as the assets of Defendant Eddy Alexandre (“**Alexandre**”) traceable to customers of EminiFX, per the Consent Order. In 2022, cash receipts by the Receivership totaled nearly \$65 million, primarily from the turnover of frozen funds (\$60.9 million), as well as from the liquidation of vehicles and office equipment (\$0.3 million), the recovery of various deposits from third parties (\$3.3 million), and interest earned on the cash deposits (\$0.3 million). Cash expenditures, for certain court-approved pre-receivership expenses as well as post-receivership approved professional fees and expenses, totaled less than \$2 million, leaving a net cash balance of approximately \$63 million at the end of 2022. In addition to the above cash receipts, the Receiver also recovered a substantial amount of digital assets (*i.e.*,

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<sup>1</sup> Cf. Consent Order ¶ 37 (incorporating ¶ 31(p) of the Statutory Restraining Order entered by this Court on May 11, 2022 (the “**SRO**”) [Dkt. 9], which requires status reports to be filed “periodically”).

cryptocurrency), worth over \$61 million at the end of 2022. A full ledger of the receivership cash and digital asset transactions from May 11, 2022 to December 31, 2022 is attached as Exhibit 1. The Receiver will continue to pursue all avenues of recovery. However, based on the current information available to the Receiver, it is likely that the vast majority of the funds that will be available for the Receivership, for the eventual benefit of creditors and defrauded investors, have been recovered.

As noted in prior reports, the initial activities of the Receiver upon appointment were focused on winding down EminiFX as an operating entity and preserving the EminiFX data and records. The Receiver's initial decision to wind down EminiFX was based on the lack of any legitimate investing activity that would support the EminiFX returns paid to investors of between 5.00% and 9.99% per week. The prudence of the Receiver's decision in this regard was demonstrated on February 10, 2023, when, just before the filing of this report, Alexandre pled guilty to one count of commodities fraud in the parallel criminal action arising from similar conduct, *United States v. Alexandre*, No. 22 Cr. 326 (S.D.N.Y.) (the "**Criminal Action**"). Alexandre also agreed to a Consent Preliminary Order of Forfeiture [Criminal Action Dkt. 74] (the "**Forfeiture Order**"), which allows for distributions to investors by the Receiver to be applied toward the forfeiture amount. The Receiver expects to include more detail on the impact of Alexandre's plea on the administration of the Receivership in the First Quarter 2023 Status Report.

The Receiver and his team focused the majority of their forensic effort in 2022 focused on creating accurate financial records for EminiFX and determining the amounts that tens of thousands of individual investors had contributed to—and received from—EminiFX. That analysis has been significantly complicated by the lack of reliable financial records recovered from EminiFX, most notably the lack of a general ledger in any kind of generally accepted accounting

format for the more than 100,000 transactions reflected in EminiFX's bank statements and equivalent records. The database recovered from EminiFX has, however, been helpful to the Receiver's forensic accounting team in attributing as many transactions as possible to specific EminiFX users. The reconstruction of these records is expected to be critical to the claims process the Receiver is developing, both in aid of validating the tens of thousands of expected investor claims as well as the Receiver's planned efforts to minimize, to the extent possible, the burden on investors. *Nevertheless, EminiFX investors should continue to maintain all of their records related to their EminiFX investment, especially those reflecting any deposits or withdrawals.*

This Report is divided into the following sections:

**Procedural History** (pp. 6-10). The Receiver summarizes the procedural history of this action throughout 2022 since both the Civil Action and the Criminal Action were filed on May 11, much of which is set forth in detail in the prior two status reports [Dkts. 71, 163]. The stay of discovery granted by this Court upon the request of the United States Attorney's Office for the Southern District of New York ("**USAO**") generally did not impact the administration of the Receivership in 2022. Since the prior reports were filed, the Receiver sought and received approval of an agreement with CoinPayments, consented to by Alexandre, to turn over the 3,658 Bitcoin (BTC) held in the overseas CoinPayments account. The Receiver also sought and received approval for a briefing schedule for a Digital Asset Management Protocol, which was filed along with substantial investor feedback in December 2022 and approved by this Court in early January of this year. The Receiver also moved this Court for an order approving the payment of professional fees and expenses for July/August 2022, which was granted. A fee application for September/October 2022 was filed in 2022 and granted in January 2023, and an application for November/December 2022 was filed and granted in February 2023. Future fee applications are

expected to be quarterly and coincide with quarterly status reports. After moving law firms on January 30, 2023, the Receiver also sought and received approval to substitute his new firm, Otterbourg P.C., for his old firm as general counsel to the Receivership.

**Asset Recovery and Receivership Finances** (pp. 10-19). As set forth in prior status reports, approximately \$60.5 million in frozen funds were turned over to the Receiver from May to June 2022, with another \$0.4 million recovered since then as a result of the Receiver's efforts. The Receiver also recovered, often with the cooperation of Alexandre, over \$3.3 million from other sources including the resolution of the Long Island Real Estate Portfolio and other recoveries. The sale of physical assets—mostly vehicles—resulted in an additional \$270,000 for the Receivership in 2022. Because the Receivership's cash was placed in interest-bearing accounts, the Receivership earned over \$330,000 in interest in 2022. The Receivership also recovered the vast majority of the potential digital assets available to be turned over, valued at more than \$61 million dollars at the end of 2022. In addition, the Receiver has negotiated a substantial increase in the interest rates earned by the cash in the Receivership, which the Receiver estimates will result in significant interest income for the Receivership in 2023.

For 2022, the total recoveries and interest totaled approximately \$3.6 million, in addition to the cash, cryptocurrency, and other assets that were turned over to the Receivership. The total expenses, both pre-receivership and administrative, totaled approximately \$2.6 million, meaning that the activities of the receivership generated a net gain of over \$1 million for the Receivership.<sup>2</sup> As such, the Receivership was able to finance all its activities from the recoveries and interest,

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<sup>2</sup> Most of the recoveries should not to be taxable to the Receivership, and therefore these figures are meant to be illustrative and not represent taxable income. Further, the two recoveries for which the right to file a claim was specifically reserved totaled \$841,000. If those two recoveries are excluded, the total net gain to the Receivership excluding turnovers still exceeded \$200,000 for 2022.

rather than from any of cash that was turned over or from the sale proceeds from digital and physical assets that were turned over. While the Receiver cannot guarantee this will always be the case going forward, the Receiver expects that the higher interest rates for 2023 will greatly assist with funding the cost of managing a complex claims process for the benefit of tens of thousands of defrauded investors beginning in 2023.

**EminiFX Operations and Financial Condition** (pp. 19-24). The Receiver, along with his tax and accounting professionals, have continued their analysis of the financial condition of EminiFX, in order to ascertain a complete and accurate financial understanding of EminiFX, so that the Receiver may carry out his obligations under the Consent Order. The primary goals of the Receiver's investigation are (1) determining the location and amount of assets that should be turned over to the Receivership, (2) determining information necessary to administer the Receivership, especially the filing of EminiFX's tax returns, (3) the creation of a claims procedure for investors and other creditors, and (4) assessing possible litigation claims against third parties.

The Receiver's analysis was significantly complicated by the fact that EminiFX did not maintain a general ledger in any sort of generally acceptable or usable accounting format. Instead, EminiFX maintained a massive database (the "**Database**") that did not distinguish between the actual money that investors contributed and the purported returns and bonuses that EminiFX paid. The Receiver and his team have obtained detailed records from financial and cryptocurrency institutions, which are reliable but difficult to match to the activity of specific EminiFX users. The Database, on the other hand, does not contain transaction information the Receiver considers to be reliable but does contain information that can assist with matching transactions to EminiFX users. The Receiver and his forensic accounting team's recent efforts have therefore been focused on using the Database and the bank statements (or equivalent) together to create a reliable general



ledger that will allow the Receiver to fulfill his obligations under the Consent Order. That process is nearing completion, but will be subject to revision throughout the claims process.

**Receivership Operations** (pp. 24-26). The Receiver managed the operations of the Receivership throughout 2022, including securing and producing records, responding to investor communications, and preparing the Receivership to liquidate the substantial amount of cryptocurrency recovered pursuant to the Digital Asset Management Protocol.

**Recommendations and Next Steps** (pp. 26-28). The Receiver and his team expect to use the coming months to continue their financial analysis of EminiFX, to propose a claims procedure to this Court, and to file a tax return for EminiFX.

## II. PROCEDURAL HISTORY

### A. *Procedural History Through the October 2022 Status Report*

The procedural history of the receivership is set forth in detail in the prior two status reports [Dkts. 71, 163], and is briefly summarized here. 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 USAO filed the Criminal Action [Criminal Action Dkt. 1]. On June 1, the Court granted the Receiver's emergency request for instructions on certain procedural matters [Dkt. 42], and on June 10, the Court granted the Receiver's request to employ certain professional firms [Dkt. 47]. On June 15, the Court entered the Consent Order [Dkt. 56], appointing the Receiver.

On June 17, 2022, the Court entered an order requiring the turnover to the Receiver of a certain deposit [Dkt. 60], and on August 3 the Court entered an order requiring the turnover of a different deposit [Dkt. 86]. Both counterparties opposed the turnover, and on September 2 the Court further enjoined an arbitration initiated by one of the counterparties [Dkt. 161]. The

Receiver made clear in his filings with the Court that the turnover of those deposits will not prejudice either counterparty's right to file a claim in a claims process to be established by this Court at a later date. The Receiver will ensure that they are kept apprised of the claims process.

On June 28, 2022, the Court granted the Receiver's request to sell certain office property, which also permitted the Receiver to vacate the EminiFX premises [Dkt. 66]. On August 5, the Court granted the Receiver's request for supplemental procedures concerning the form of initial notice to be sent to investors, authority to administer and resolve certain assets and liabilities under various thresholds, approving of certain actions in aid of securing and managing the Receivership's cryptocurrency, and disposing of certain vehicles [Dkt. 91]. The Court also granted the request for fees and expenses of the Receiver and his professionals for May and June 2022 [Dkt. 92].

On July 7, 2022, counsel for Alexandre advised the Court of the USAO's intention to seek a stay of this Action during the pendency of the Criminal Action, and after extensive briefing by Alexandre, the USAO, the CFTC, and the Receiver, the Court granted the stay on September 2 [Dkt. 160]. As noted in the October 2022 Status Report, the Receiver continues to believe the stay did not materially impact the administration of the Receivership during 2022. The Receiver will continue to keep the Court apprised if any issues arise relating to the stay.

B. *Procedural History Since the October 2022 Status Report*

On November 15, 2022, the Receiver, jointly with the CFTC and Alexandre, filed a letter request to approve a turnover agreement with CoinPayments, in order for the Receivership to secure the BTC 3,658 held in suspense there [Dkt. 169]. The Court granted that letter request on the same day [Dkt. 172], and the turnover of the Bitcoin was completed on November 20. On November 21, the Receiver informed the Court that the transfer had occurred and requested a briefing schedule to file a proposed Digital Asset Management Protocol, with a mechanism for

investors to provide feedback [Dkt. 175]. The Court granted the request that day, instructing the Receiver to serve the proposed Protocol on all investors [Dkt. 176].

On December 9, 2022, the Receiver filed an application to approve a proposed Digital Asset Management Protocol, whereby the Receiver would liquidate the Receivership's Bitcoin over a four-month period, in order to minimize the market impact on selling these assets, reduce the impact of the price volatility of Bitcoin on the Receivership, and lessen the potential downside risk of holding Bitcoin for an extended period of time [Dkt. 180]. After receiving over 1000 emails from 930 unique email addresses between December 9 and December 19, the Receiver filed a compendium of investor feedback on December 21 [Dkt. 181]. The CFTC filed a reply to that feedback on December 22 [Dkt. 182], and the Receiver filed a reply on December 23 [Dkt. 183]. That application remained pending at the end of 2022 and was approved on January 4, 2023 [Dkt. 184]. The Receiver will report on the progress of the sale of digital assets in the First Quarter 2023 status report, and in the meantime, investors may monitor the progress of the sale of Bitcoin at <https://www.eminifxreceivership.com/digitalassetmanagement>.

On November 16, 2022, in response to several letters from investors requesting that their names not be published on an investor list, the Court instructed that investor communications be directed to the Receiver and noted that the Court had no present intention of publishing individual investor names [Dkt. 174]. In response to the Court's endorsement, the Receiver also updated the receivership website to state: "The Receiver will NOT publicly post any personally identifying information of any EminiFX investor." The Receiver further notes that all correspondence from investors may be sent to [EminiFXInquiries@stretto.com](mailto:EminiFXInquiries@stretto.com).

Further, as noted in the October 2022 Status Report, the Receiver filed an application for fees and expenses incurred in July and August concurrently with that status report [Dkt. 164]. That

application was granted on October 25 [Dkt. 167]. On December 8, the Receiver filed an application for fees and expenses incurred in September and October, which remained pending as of the end of 2022.<sup>3</sup>

C. *Parallel Criminal Action*

To date, neither the Receiver nor anyone acting on his behalf has appeared in the Criminal Action. The Receiver's interaction with the Criminal Action has been limited to responding to subpoenas, responding to discovery requests from the Defendant for material in this Action before the stay was entered, and formally consenting to the May 12 search on behalf of EminiFX. On August 29, Alexandre filed a motion to, *inter alia*, treat the Receiver (and the CFTC) as part of the prosecution team with respect to the USAO's disclosure obligations [Criminal Action Dkts. 39-41]. The USAO filed an opposition on September 16 [Criminal Action Dkt. 50], Alexandre filed a reply on September 23 [Criminal Action Dkt. 51], and the Court held oral argument on October 5. That motion was pending as of the end of 2022, and on January 26, 2023, the Court ruled that the Receiver was not part of the prosecution team [Criminal Action Dkt. 72].

On February 10, 2023, Alexandre pled guilty to one count of commodities fraud, and as part of a plea agreement executed the Forfeiture Order. The Forfeiture Order includes the following provision: "All assets distributed to the victims by the Receiver in the CFTC Action that were obtained from the Defendant and EminiFX shall be applied towards the satisfaction of the Money Judgment" (Forfeiture Order ¶ 11). In the First Quarter 2023 Status Report, the Receiver will provide more detail on the impact of Alexandre's plea on the Receivership, especially with

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<sup>3</sup> That application was granted on January 27, 2023 [Dkt. 185]. On February 2, the Receiver filed an application for fees and expenses incurred in November and December 2022 [Dkt. 188], which was granted on February 13 [Dkt. 191]. Going forward, the Receiver intends to file quarterly applications for fees and expenses. Also on February 2, 2023, the Court granted the Receiver's application to substitute Otterbourg, P.C. as counsel in light of the Receiver's joining that firm on January 30 [Dkt. 187]. Under the CFTC's billing guidelines, time spent preparing the foregoing applications is not chargeable to the estate, and the Receiver and his professionals have written off such time.

regards to the claims process the Receiver is currently developing. In the interim, the Receiver will continue to coordinate with the CFTC, counsel for Alexandre, and the USAO and to ensure that the Receiver may continue the efficient administration of the Receivership.

### **III. ASSET RECOVERY AND RECEIVERSHIP FINANCES**

The Receiver and his team worked throughout 2022 to recover the substantial majority of EminiFX assets into the Receivership. Nearly \$61 million in cash was turned over to the Receivership, including over \$400,000 since the October 2022 Status Report. In addition, nearly all of the identified EminiFX cryptocurrency has been turned over to the Receivership, valued at over \$61 million at end of 2022.<sup>4</sup> The Receivership also liquidated over \$270,000 in property, mostly consisting of vehicles that were sold in October and November. The Receiver and his team continued their efforts to recover real estate deposits paid to third parties, recovering over \$1.4 million since the October 2022 Status Report, for total 2022 recoveries of over \$3.3 million. The Receivership also earned over \$330,000 in interest on funds held in its banks, which is expected to increase substantially in 2023.

As noted in the October 2022 Status Report, on July 29, Alexandre provided the Receiver with a comprehensive list of accounts, which served as an important validation tool of the Receiver's prior work in assessing those assets. Based on that list and on the Receiver's review of the EminiFX banking records, the Receiver believes that the vast majority of accounts and EminiFX assets have been turned over to the Receivership. If any additional assets come to light as a result of the Receiver's investigation, the Receiver will evaluate and pursue them as

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<sup>4</sup> The value of the Receivership's cryptocurrency increased substantially at the beginning of 2023, around the same time the Receiver began to liquidate the Receivership's Bitcoin pursuant to the Digital Asset Management Protocol. Nevertheless, the Receiver notes that Bitcoin is a highly volatile asset, and there is no guarantee that the price will remain steady throughout the four-month sale process.

appropriate. The total recoveries and expenses of the Receivership since May 2022 are as follows (see Exhibit 1 for the full ledger of receivership transactions):

<b>RECEIVERSHIP CASH POSITION</b>			
<b>Source</b>	<b>Cumulative Amount (2022 Annual)</b>	<b>Cumulative Amount (Prior Report)</b>	<b>Change From Prior Report</b>
<b>General Receivership Estate</b>			
Frozen Account Turnovers	\$52,480,218.43	\$52,077,078.46	\$403,139.97
Real Estate Recoveries	\$2,330,400.00	\$915,200.00	\$1,415,200.00
Other Recoveries	\$486,205.07	\$486,205.07	\$-
Liquidation Proceeds	\$243,929.93	\$-	\$243,929.93
Interest	\$287,033.02	\$120,340.21	\$166,692.81
Expenses and Fees	-\$1,885,462.87	-\$1,296,752.88	-\$588,709.99
Retainers	-\$30,269.68	-\$30,269.68	\$-
<b>Total</b>	<b>\$53,912,053.90</b>	<b>\$52,271,801.18</b>	<b>\$1,640,252.72</b>
<b>Reserved but Unpaid Expenses</b>			
Alexandre Final Salary	\$54,556.92	\$54,556.92	\$-
Dieuveuil Final Salary	\$22,152.03	\$22,152.03	\$-
<b>Total</b>	<b>\$76,708.95</b>	<b>\$76,708.95</b>	<b>\$-</b>
<b>Alexandre Assets</b>			
Frozen Account Turnovers	\$8,469,036.83	\$8,469,036.83	\$-
Real Estate Recoveries	\$535,000.00	\$535,000.00	\$-
Liquidation Proceeds	\$29,000.00	\$15,000.00	\$14,000.00
Interest	\$47,309.59	\$18,792.85	\$28,516.74
<b>Total</b>	<b>\$9,080,346.42</b>	<b>\$9,037,829.68</b>	<b>\$42,516.74</b>
<b>TOTAL CASH</b>	<b>\$63,069,109.27</b>	<b>\$61,386,339.81</b>	<b>\$1,682,769.46</b>

In addition, the tables attached as Exhibit 2 show the post-appointment balance sheet, income statement, and cash flows for the Receivership during the calendar year 2022. 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 give the Court and investors a high-level overview of the financial condition of the Receivership. The various activity underlying those statements is as follows:

A. *Turnover of Cash and Digital Assets from Frozen Accounts*

In 2022, the Receiver recovered the amounts frozen in two bank accounts, one brokerage account, and one mobile payment account (identified as Crypto Exchange 1 in prior status reports), for a total of nearly \$61 million:

<b>TURNOVER OF USD ACCOUNTS (2022)</b>			
<b>Institution</b>	<b>General Receivership</b>	<b>Alexandre Assets</b>	<b>Consolidated</b>
Bank 1	\$37,493,925.92	\$6,716,092.43	\$44,210,018.35
Bank 2	\$14,583,152.54	\$-	\$14,583,152.54
Crypto Ex 1	\$403,139.97	\$-	\$403,139.97
Brokerage 1	\$-	\$1,752,944.40	\$1,752,944.40
<b>Total Turnover</b>	<b>\$52,480,218.43</b>	<b>\$8,469,036.83</b>	<b>\$60,949,255.26</b>

The Receiver is maintaining these funds at financial institutions that have substantial experience in managing funds for receivership and class actions, in high-yield interest-bearing accounts with full collateralization by instruments backed by the full faith and credit of the United States of America, surety bonds, or acceptable collateral for pledging to federal agencies.

Upon entry of the SRO, the CFTC also froze a number of accounts containing digital assets, most of which is denominated as Bitcoin. Since the last status report, the Receiver recovered the digital assets held in Crypto Exchanges 1 through 4, which represents the vast majority of the potential digital assets to be recovered by the Receivership. Most of the digital assets recovered (over BTC 3,658) were from Crypto Exchange 4, later identified as CoinPayments in the Digital Asset Management Protocol [Dkt. 180]. The recovery of those assets was the result of significant negotiation between the Receiver, his overseas legal team at Sorainen, and CoinPayments. In 2022, the Receivership received the following digital assets:<sup>5</sup>

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<sup>5</sup> In prior filings, the Receiver informed the Court of additional digital assets located at Crypto Exchange 5 [*see, e.g.*, Dkt. 186]. Those assets, in the amount of BTC 23.1909158, were turned over to the Receivership on February 14, 2023, and will be liquidated pursuant to the Digital Asset Management Protocol [Dkt. 180 n.2].

<b>TURNOVER OF DIGITAL ASSETS (2022)</b>					
<b>Digital Asset</b>	<b>Symbol</b>	<b>Date</b>	<b>Source</b>	<b>Amount of Digital Asset</b>	<b>USD at time of Turnover</b>
Orchid Token	OXT	10/20/2022	Crypto Ex 3	17608.78202	\$1,437.42
Bitcoin	BTC	10/20/2022	Crypto Ex 3	10.98396036	\$210,115.90
Litecoin	LTC	10/20/2022	Crypto Ex 3	44.9932	\$2,292.85
Decentraland	MANA	10/20/2022	Crypto Ex 3	6234.102204	\$2,446.74
Dogecoin	DOGE	10/20/2022	Crypto Ex 3	299756.5256	\$17,602.30
Luna Classic	LUNA	10/20/2022	Crypto Ex 3	111.670373	\$0.00
Shiba Inu	SHIB	10/20/2022	Crypto Ex 3	1338198877	\$11,990.26
Gala	GALA	10/20/2022	Crypto Ex 3	470.801414	\$12.04
Ethereum	ETH	11/02/2022	Crypto Ex 2	1.84351445	\$2,799.06
Ethereum	ETH	11/02/2022	Crypto Ex 2	0.00199937	\$3.16
Bitcoin	BTC	11/02/2022	Crypto Ex 2	0.06249083	\$1,280.31
Bitcoin	BTC	11/04/2022	Crypto Ex 1	9.90807038	\$200,202.47
Bitcoin	BTC	11/04/2022	Crypto Ex 1	0.84611371	\$17,096.57
Bitcoin	BTC	11/04/2022	Crypto Ex 1	0.0000262	\$0.53
Bitcoin	BTC	11/16/2022	Crypto Ex 4	0.005	\$84.49
Bitcoin	BTC	11/20/2022	Crypto Ex 4	3658.33265	\$61,193,480.00
<b>Total Value of Digital Assets in USD at Time of Turnover</b>					<b>\$61,660,844.10</b>

The Receiver is maintaining the Receivership's digital assets at Coinbase Prime, a prime brokerage that can liquidate digital assets, and at its affiliate Coinbase Custody, a trust company that is a fiduciary under N.Y. Banking Law § 100 and is licensed by the New York Department of Financial Services. Each Coinbase account agreement confirms that all digital assets held there are custodial assets for the benefit of the Receivership, and are not the assets of any Coinbase entity that can be sold, transferred, lent, rehypothecated or otherwise alienated.

Given that the Receivership had already received the vast majority of digital assets expected to be turned over to it, on December 9 the Receiver filed an application for approval of a Digital Asset Management Protocol, in order to slowly and safely liquidate the digital assets and maintain the proceeds in interest-bearing accounts. Oppositions and replies were filed by December 23. The proposed Protocol was approved at the beginning of 2023, and the Receiver has begun the implementation of the Protocol. The Receiver will report on the progress of the liquidation of the Receivership's digital assets in the First Quarter 2023 Status Report.



B. *Turnover and Liquidation of Non-Cash Assets*

As stated in prior reports, the Receiver, with Alexandre's substantial cooperation, recovered seven vehicles, the first six of which were considered part of the general receivership estate and seventh considered part of Alexandre Assets. Working with the same dealer that sold a number of these vehicles to EminiFX, the Receiver sold the owned vehicles and returned the leased vehicles to the financing company (adding those companies to the list of potential non-investor claimants). Where the vehicle was encumbered, the sale necessarily included satisfying the encumbrance to clear title and allow for the sale, and the Receiver received the net proceeds. The Receiver also received additional funds for the return of excess warranty with respect to one of the leased vehicles, as well as DMV registration refunds. The total amount received from the liquidation of vehicles, which is complete, is as follows:

<b>VEHICLE LIQUIDATION</b>			
<b>No.</b>	<b>Model</b>	<b>Type</b>	<b>Net Recovery</b>
1	BMW Alpina B8 Gran Coupe	Owned	\$22,850.64
2	Mercedes-Benz GLE 450 W4 SUV	Owned	\$808.65
3	Mercedes-Benz G 63 AMG SUV V8	Owned	\$150,000.00
4	Mercedes-Benz GLS 450 W4 SUV	Owned	\$65,089.25
5	Mercedes-Benz GLS 350 W4 SUV	Leased	\$80.75
6	BMW X3 xDrive3.0i	Leased	\$5,100.64
7	Mercedes-Benz GLA 250 SUV	Owned	\$14,000.00
<b>Total Net Recovery Amount</b>			<b>\$257,929.93</b>

As set forth in prior reports, the Receiver also disposed of the office property for (1) a \$15,000 cash payment from Auction Advisers, which is also being held in the Alexandre Assets segregated account pending further discussion with Alexandre, (2) at least \$30,000 in cost savings for moving and storage (if not more), and (3) half the sale proceeds over \$75,000. The Receiver has received a final report from Auction Advisers and is not entitled to any additional payment. The total amount received by the Receivership for the liquidation of property is therefore \$272,929.93, in

addition to the cost savings set forth above. The Receiver does not expect that any material additional non-cash property will be turned over to the Receivership.

*C. Recoveries and Interest*

In the weeks before the Receiver was appointed, EminiFX entered into 46 separate contracts to purchase various foreclosure properties in Long Island, for a total purchase price of \$22,334,525 with \$2,310,400 paid in deposits (the “**Foreclosure Properties**”). In addition, EminiFX entered into contracts on two non-foreclosure properties for a total purchase price of \$1,920,000 and deposits of \$192,000. Since the last status report, the Receiver learned that one of the deposits, for \$50,000, was returned to EminiFX pre-receivership, which the Receiver was able to confirm using EminiFX bank statements. The total net deposits paid for the 47 remaining deposits totaled \$2,452,400, all of which were in the possession of referees or escrow agents at the time the receivership was instituted.

On June 1, upon the Receiver’s application for emergency instructions, a procedure was created whereby the Receiver has the option to accept the return of the deposit in all cases, or otherwise determine if a property had significant enough possible upside to warrant a different course of action [Dkt. 42]. As set forth in detail in the July 2022 Status Report, the Broker Price Opinions conducted on each of the Foreclosure Properties showed that the receivership expected to be subject to substantial losses if the Receiver closed on the portfolio [Dkt. 71, at 34]. The Receiver did not believe it would be prudent to use receivership funds to close on any of the properties and therefore sought the return of the contract deposits and cancellation of the contracts. Alexandre also agreed to a blanket stipulation consenting to the cancellation of these contracts so that the deposits may be returned to the Receivership.

Each of the Foreclosure Properties was the subject of its own separate proceeding in New York Supreme Court, mostly in Suffolk County with a couple in Nassau County, where the plaintiff is generally the lender that is also the seller of the applicable Foreclosure Property. After negotiation with the Receiver and his counsel at Forchelli Deegan Terrana LLP, and often only upon order of the applicable state court, each lender/seller agreed to a stipulation or assignment of bid to unwind the transaction and for the court-appointed referee to return the contract deposit to the Receivership.<sup>6</sup> That effort was largely completed at the end of 2022:<sup>7</sup>

<b>LONG ISLAND REAL ESTATE RECOVERIES (12/31/2022)</b>				
<b>Status</b>	<b>No.</b>	<b>Deposit Amount</b>	<b>Agreed Recovery</b>	<b>Amount Received</b>
Agreement Complete, Funds Received	44	\$2,330,400.00	\$2,330,400.00	\$2,330,400.00
Motion Filed, Pending Decision	2	\$82,000.00	\$82,000.00	\$0.00
Returned to Bonaventura	1	\$40,000.00	\$0.00	\$0.00
<b>GRAND TOTAL</b>	<b>47</b>	<b>\$2,452,400.00</b>	<b>\$2,412,400.00</b>	<b>\$2,330,400.00</b>

The remaining two deposits were resolved and returned in full to the Receiver in early 2023. The Receiver considers the procedure set forth in the June 1 application to be complete.

Pursuant to this Court's Orders of June 17 and August 3, 2022 [Dkts. 60, 86], the Receiver continues to hold the \$535,000 Manhasset Deposit turned over by the sellers of that property and the \$306,000 security deposit turned over by the EminiFX landlord. Each of those turnovers preserved the right of the counterparty to file a claim in the Receivership, as well as the right of the Receiver to respond or to object to any such claim, and those parties will be notified of the claims process at the appropriate time. The Receiver also recovered refunds of unused retainers

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<sup>6</sup> For one property, the deposit was already returned to Bonaventura Realty Corp. ("**Bonaventura**") by the referee, in an amount of \$40,000. The Receiver understands that Bonaventura claims to be owed additional funds as fees from EminiFX notwithstanding Bonaventura's retention of the \$40,000. The Receiver plans to address that deposit as part of a larger evaluation of the Bonaventura issue, and not pursuant to the process set forth in the June 1 order.

<sup>7</sup> Given that the portfolio is essentially resolved and that the status of the properties is identical, the Receiver is not attaching a property-by-property list as in prior reports.

from two different lawyers retained by EminiFX prior to the receivership – one for \$75,000 and another for \$33,000, for a total of \$108,000. In addition, the Receiver recovered the portion of a deposit with a staffing company that was not used for salaries and wages, in the amount of \$68,905, as well as an unused parking deposit for \$3,300.

Turnovers, liquidation proceeds, and recoveries are being maintained by the Receiver in interest-bearing accounts. In light of the recent interest rate increases in the market, the Receiver has negotiated with the financial institutions maintaining the receivership accounts to increase substantially the amount of interest paid in 2023. The total recoveries and interest earned by the Receivership for 2022—in addition to the accounts and assets turned over to the Receivership—amounted to almost \$3.7 million, as follows:

<b>TOTAL RECOVERIES AND INTEREST (12/31/2022)</b>			
<b>Item</b>	<b>General Receivership</b>	<b>Alexandre Assets</b>	<b>Consolidated</b>
Long Island Real Estate Portfolio	\$2,330,400.00	\$0.00	\$2,330,400.00
Manhasset Deposit <i>(right to submit claim reserved)</i>	\$0.00	\$535,000.00	\$535,000.00
Landlord Security Deposit <i>(right to submit claim reserved)</i>	\$306,000.00	\$0.00	\$306,000.00
Law Firm Retainers	\$108,000.00	\$0.00	\$108,000.00
Staffing Company Retainer	\$68,905.07	\$0.00	\$68,905.07
Parking Deposit	\$3,300.00	\$0.00	\$3,300.00
<b>Subtotal – Recoveries</b>	<b>\$2,816,605.07</b>	<b>\$535,000.00</b>	<b>\$3,351,605.07</b>
Interest Earned	\$287,033.02	\$47,309.59	\$334,342.61
<b>GRAND TOTAL</b>	<b>\$3,103,638.09</b>	<b>\$582,309.59</b>	<b>\$3,685,947.68</b>

*D. Receivership Expenses in 2022*

The Receiver incurred various expenses throughout 2022, most of which were professional fees specifically authorized by Court order. Other expenses were incurred pursuant to the Court’s order granting the Receiver’s request for emergency instructions [Dkt. 42] and the Court’s Order concerning supplemental procedures [Dkt. 91]. The Receiver has incurred the following charges

in 2022, including professional fees for September/October that were approved in 2023 [Dkt. 185] and for November/December that have been requested in 2023 [Dkt. 188]. All of the expenses were paid from the General Receivership Estate and not the Alexandre Assets account:

<b>2022 RECEIVERSHIP EXPENSES</b>			
<b>Description</b>	<b>Category</b>	<b>Dkt.</b>	<b>Amount</b>
<b>Incurring and Paid in 2022</b>			
Broker Price Opinions for Long Island Real Estate	Asset	91	\$6,900.00
New Jersey Motor Vehicle Title Search	Asset	91	\$30.00
Towing Fees for Vehicle Recovery	Asset	91	\$4,931.08
Payroll, including final taxes and fees	Payroll	42/91	\$184,433.07
34th Street Suites – June Rent	Rent	42	\$106,144.68
May/June Professional Fees and Expenses	Prof	92	\$996,290.66
July/August Professional Fees and Expenses	Prof	167	\$586,733.38
<b>Subtotal of Paid Expenses</b>			<b>\$1,885,462.87</b>
<b>Incurring but not Paid in 2022</b>			
Sept/Oct Professional Fees and Expenses ( <i>approved</i> )	Prof	185	\$407,744.03
Nov/Dec Professional Fees and Expenses ( <i>approved</i> )	Prof	191	\$347,403.35
<b>Subtotal of Unpaid Expenses</b>			<b>\$755,147.38</b>
<b>GRAND TOTAL</b>			<b>\$2,640,610.25</b>

In addition, the Receiver paid \$30,269.68 in retainers to professional firms in 2022, which are not expenses as those retainers will either be refunded or applied to future bills. Further, \$76,708.95 of the final payroll expense (the amount that would otherwise have been paid to Alexandre and his wife) was not paid to them, but rather paid into reserve [Dkt. 42].<sup>8</sup> The actual cash outlay for all expenditures in 2022 was therefore \$1,839,023.60 (paid expenses + retainers – reserves).

Overall, the total incurred expenses of \$2.64 million was less than the \$3.69 million in recoveries and interest, such that the activities of the receivership resulted in an increase in value to the Receivership of over \$1 million in addition to the turnover of frozen assets. Even if the

<sup>8</sup> Because those amounts have been placed into a separately maintained reserve account, the Receiver has still characterized them as a paid expense. If all or part of the reserve is later recaptured by the Receivership, the Receiver will so indicate.

Manhasset and landlord security deposit recoveries are excluded from the foregoing analysis given the reservation of rights with respect to those potential claims, the increase in value to the Receivership still exceeds \$200,000.

#### **IV. EMINIFX'S OPERATIONS AND FINANCIAL CONDITION**

Since obtaining the various financial records of EminiFX accounts, as well as recovering the EminiFX database from the GoDaddy server, the Receiver and his team have attempted to analyze the financial condition and operations of EminiFX, in order to ascertain an accurate and complete financial understanding of EminiFX and the Receivership. The Receiver and his team worked throughout 2022 toward the goal of creating a reliable ledger of EminiFX transactions, in support of several functions:

**Turnover:** To determine the location and amount of any assets that should be turned over to the Receivership.

**Administration:** To administer the Receivership, including the Receiver's obligation to file tax returns for EminiFX.

**Claims and Investor Recovery:** To discover the date and amount of the deposits and redemptions of cash and cryptocurrency, largely in aid of determining the scope of potential claims against the receivership estate and to develop a claims procedure, with the additional goal of minimizing, to the extent possible, the burden on the tens of thousands of investors.

**Third Party Litigation:** To determine whether there is a basis for the Receiver to pursue any cost-effective claims against third parties.

The Receiver and his team made substantial progress throughout 2022, despite numerous challenges. Critically, EminiFX maintained neither a general ledger in any sort of generally accepted accounting format, nor reliable and trustworthy internal financial records of how much money each investor deposited into or withdrew from EminiFX—arising from tens of thousands of users and over 100,000 deposit and withdrawal transactions. Moreover, EminiFX did not create separate corporate entities for investor funds and operating funds. It also appears that significant

corporate and investment activity was carried out via Alexandre's personal account, further complicating the Receiver's analysis.

The Receiver has, however, obtained numerous transaction records from the financial institutions used by EminiFX and Alexandre. The Receiver has been able to use some of the data recovered from the EminiFX website, including the 17-million-row Database to support that website, to match most of the transactions in the financial institution statements to EminiFX users. As noted in prior reports, this effort is somewhat complicated by the prevalence of substantial numbers of identical cash deposits on the same day (*e.g.*, at Bank 2, on February 7, there were 25 "Counter Credits" in the amount of \$5,000). To simplify, the bank records contain accurate transaction data that is often not facially attributable to specific EminiFX users, and the Database can help attribute transactions to EminiFX users but is not reliable on its own as a single source of transaction data.

Nevertheless, the Receiver and his team have made substantial progress in using the EminiFX database and the information contained therein to attribute the majority of the cash deposits to EminiFX users. The Receiver expects that process to remain ongoing throughout 2023, both in aid of preparing a claims process and in responding to investors once that claims process begins. As the Receiver's investigation is ongoing, the discussion below is based only on the review to date and is subject to revision.

A. *Analysis to Determine Location of Assets to Recover*

As noted in the prior reports, the Receiver has generally been able to categorize many of the expenditure transactions, and the Receiver provides again here a summary of the EminiFX Uses of Cash Analysis [*see also* Dkt. 163, Ex. 3]. The net deposits, on the other hand, are substantially more difficult to attribute to individual users, the analysis of which was the focus of

the Receiver’s team for the end of 2022. That analysis is necessary to begin the claims process, and in determining which investors withdrew more than they deposited (usually characterized as “net winners” in similar contexts).

<b>EMINIFX USES OF CASH ANALYSIS</b>				
<b>Category</b>	<b>EminiFX Bank 1</b>	<b>EminiFX Bank 2</b>	<b>Alexandre Bank 1</b>	<b>Grand Total</b>
<b>Deposits</b>	<b>\$48,780,433</b>	<b>\$27,064,044</b>	<b>\$2,000,472</b>	<b>\$77,844,949</b>
Account Transfers	-\$2,954,600	-\$12,102,042	\$15,056,642	\$-
Net Deposits	\$45,825,833	\$14,962,002	\$17,057,114	\$77,844,949
<b>Uses of Cash</b>	<b>-\$8,331,942</b>	<b>-\$378,850</b>	<b>-\$10,417,908</b>	<b>-\$19,148,200</b>
Real Estate Investments	-\$2,966,000	\$-	-\$536,432	-\$3,502,432
Brokerage 1	\$-	\$-	-\$9,070,000	-\$9,070,000
Cryptocurrency	-\$1,000	-\$100,000	-\$35,926	-\$136,926
Business Uses of Cash	-\$4,136,031	-\$122,481	-\$57,646	-\$4,316,158
Personal Uses of Cash	-\$514,517	-\$73,150	-\$599,158	-\$1,206,326
Other Uses of Cash	-\$714,393	-\$83,219	-\$118,746	-\$916,358
<b>Net Cash</b>	<b>\$37,493,892</b>	<b>\$14,583,153</b>	<b>\$6,716,448</b>	<b>\$58,793,492</b>

As noted in prior reports, the Receiver has identified all outgoing transactions over \$100,000 (excluding transfers between Bank 1, Bank 2, and Brokerage 1), in order to determine whether such transactions warrant further action, as seen on the following page.

The Receiver will continue to investigate these payments, as well as additional payments to third parties, to determine whether further recovery efforts are warranted, and the appropriate time to pursue such efforts. However, the bank and financial records that the Receiver has been able to obtain indicate that the Receiver has likely recovered the vast majority of the assets available for turnover to the receivership estate.



<b>PAYMENTS AND WITHDRAWALS IN EXCESS OF \$100,000</b>				
<b>Date</b>	<b>Amount</b>	<b>Account</b>	<b>Description</b>	<b>Further Action</b>
11/22/21	\$155,000	Bank 1	Payment for Vehicle 1	Vehicle turned over to receivership
12/31/21	\$300,000	Bank 1	Payment to Tech Provider	Expected receivership claimant
01/06/22	\$100,000	Bank 2	Wire to Crypto Exchange 3	Account frozen for the receivership estate
02/18/22	\$100,000	Bank 1	Payment to IOLA account	Receiver negotiating with recipient <sup>9</sup>
02/22/22	\$480,000	Bank 1	Payment to Tech Provider	Expected receivership claimant
03/08/22	\$129,500	Bank 1	Payment to Landlord	Expected receivership claimant
03/27/22	\$485,709	Cr Ex 4	Transfer to Crypto Ex 3	Handle in turnover efforts
03/28/22	\$135,000	Bank 1	Payment to Investor	Handle in claims resolution process
03/30/22	\$360,000	Bank 1	Payment to Investors	Handle in claims resolution process
03/30/22	\$500,268	Cr Ex 4	Transfer to Crypto Ex 5	Handle in turnover efforts
04/03/22	\$198,513	Cr Ex 4	Payment to Insider	Receiver investigating
04/06/22	\$139,629	Cr Ex 4	Payment to Tech Provider	Expected receivership claimant
04/06/22	\$377,164	Cr Ex 4	Unknown Payment	Receiver investigating
04/08/22	\$102,417	Bank 1	Payment for Vehicle 4	Vehicle turned over to receivership
04/08/22	\$535,000	Bank 1	Manhasset Deposit	Resolved (\$535,000 recovered) <sup>10</sup>
04/08/22	\$200,000	Bank 1	Payment to Insider	Receiver investigating
04/08/22	\$248,843	Cr Ex 4	Payment to Suspected Insider	Receiver investigating
04/08/22	\$115,332	Cr Ex 4	Payment to Investor	Handle in claims resolution process
04/10/22	\$460,661	Cr Ex 4	Transfer to Crypto Ex 5	Handle in turnover efforts
04/27/22	\$150,000	Bank 1	Payment to non-profit	Receiver investigating
04/29/22	\$100,000	Bank 1	Payment to Bonaventura	Long Island Real Estate resolution <sup>11</sup>
04/29/22	\$250,000	Bank 1	Payment to IOLA account	Resolved (\$230,000 recovered)
05/02/22	\$519,000	Bank 1	Payment to Bonaventura	Long Island Real Estate resolution
05/03/22	\$1,000,000	Bank 1	Payment to Bonaventura	Long Island Real Estate resolution
05/05/22	\$240,000	Bank 1	Payment for Vehicle 3	Vehicle turned over to receivership
05/05/22	\$152,282	Cr Ex 4	Payment to Investor	Confirmed Net Winner <sup>12</sup>
05/05/22	\$127,720	Cr Ex 4	Payment to Investor	Handle in claims resolution process
05/11/22	\$1,000,000	Bank 1	Payment to Bonaventura	Long Island Real Estate resolution

<sup>9</sup> The Receiver has recovered \$33,000 from the counterparty in 2022, and an additional \$20,100 in January 2023.

<sup>10</sup> Subject to the right of the sellers to submit a claim in the receivership, with the Receiver retaining all rights with respect to such claim.

<sup>11</sup> The Receiver recovered \$2,330,400 of the real estate deposits funded with the Bonaventura transfers in 2022, \$82,000 in 2023, and is analyzing the remaining Bonaventura issues as set forth above.

<sup>12</sup> A “net winner” is an investor who received more in redemptions than his or her original investment, and therefore may not have an allowable claim. The Receiver expects to analyze net winners in conjunction with his analysis of the EminiFX users’ net investment and formulation of a claims process.

B. *Tax Issues*

As noted in prior reports, the Internal Revenue Service (“IRS”) does not have a tax return on file for EminiFX, and it does not appear that one was even 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* SRO ¶ 31(m) (incorporated at Consent Order ¶ 37)), and the Receiver is working with his tax and accounting teams to prepare such a return, which is especially difficult given that there does not appear to be a general ledger for EminiFX. The Receiver and his team will continue their efforts to analyze all applicable financial records so that the Receiver may fulfill his obligations under the Consent Order.

The Receiver is also working with his tax and accounting teams to determine in what circumstances a Form 1099 is warranted to be issued. Given the state of the underlying records, the Receiver expects that process to take some time to complete, and the Receiver wants to ensure that the information filed with the IRS is as accurate as possible. The Receiver and his team will continue their analysis and update the Court and investors at the appropriate time.

C. *Claims and Investor Recovery*

The Receiver expects that his financial analysis, as set forth above, will also be used to determine, to the extent possible, the actual cash and cryptocurrency deposits and withdrawals of each investor account. Such information is expected to form the basis of the claims procedure that the Receiver has begun to prepare and will propose to the Court at the appropriate time. The Receiver expects to propose measures in the claims process to ease as much burden as possible on investor claimants, especially to the extent the Receiver may be in possession of records, not also maintained separately by an investor, which serve to confirm that investor’s transactions.

Nevertheless, the Receiver encourages all investors to maintain as many of their records related to EminiFX as possible, especially concerning deposits and withdrawals.

## **V. RECEIVERSHIP OPERATIONS**

### *A. Preservation, Collection, and Production of Records*

As set forth in the prior status reports, the Receiver has recovered and secured a substantial amount of electronic records, both as downloads of files from servers and as electronic storage media. The Receiver continues to store all electronic storage media in Iron Mountain (a firm specializing in storing and maintaining data and records), as well as the limited number of paper records recovered and secured. The Receiver, as the corporate representative of EminiFX, requested and received the return of copies of seized materials from the Department of Justice. The Receiver has also responded to subpoenas in the Criminal Action and did not produce documents to the USAO absent a subpoena.

### *B. Communications with EminiFX Users and Creditors*

On August 5, 2022, this Court approved the Form of Initial Notice that was to be sent to EminiFX account holders and potential creditors, in both English and French. On August 9, service was complete to over 62,000 email accounts, as well as a physical mailing to 11 potential creditors, and the Receiver has the complete affidavit of service on file containing those email addresses. On December 9, the Receiver also served the Digital Asset Management Protocol on all investors, and used a separate email box for communications regarding such feedback [Dkt. 181]. The Receiver further reminds all potential claimants, as stated in the Notice of Receivership, that the Court has entered a stay against actions against Defendants in this Action, and that the Receiver will submit a claims process for approval at the appropriate time. Given the relatively discrete number of expected non-investor claims (*i.e.*, claims that are *not* related to an investment

on the EminiFX platform), the Receiver encourages any potential non-investor claimant to reach out to the Receiver directly at [EminiFXInquiries@Stretto.com](mailto:EminiFXInquiries@Stretto.com).

The Stretto website will continue to be the primary source of information for interested parties (<http://www.eminifxreceivership.com>). **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), updates on the sale of digital assets, key filings, 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 that over time. Finally, the website contains a section for users or interested parties to update their contact information, especially the email address. Given that a substantial number of EminiFX users appear to be French or Haitian Creole speakers, the Receiver is providing the website in English, French, and Haitian Creole.

As noted above, EminiFX users may email [EminiFXInquiries@Stretto.com](mailto:EminiFXInquiries@Stretto.com) with questions or concerns. Although users remain encouraged to review that website before sending any email, the Receiver notes that each email to [EminiFXInquiries@Stretto.com](mailto:EminiFXInquiries@Stretto.com) has 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

investors and the need to ensure that communications with users remain as uniform and as cost-effective as possible.

*C. Winding Down EminiFX as an Operating Entity*

As noted in prior reports, the Receiver described in detail his efforts of those of his team to wind down the active operations of EminiFX, although the entity will continue to exist in receivership. Those efforts included vacating the premises, terminating the employees, shutting down the online platform (while preserving the data therein), and terminating all remaining service contracts with such counterparties being added to the list of non-investor potential claimants, such that they will be notified of the claims process in this case once it is established and approved by the Court. Those efforts are generally complete, and EminiFX is no longer an operating entity.

**VI. RECOMMENDATIONS AND NEXT STEPS**

Since the October 2022 Status Report, the Receiver has continued efforts (i) to obtain an accurate picture of the various transactions and financial condition of EminiFX, (ii) to ascertain additional sources of recovery, and (iii) to administer the receivership estate. Although the Receiver does not believe that the stay of discovery issued by this Court [Dkt. 160] impacted his ability to carry out his functions under the Consent Order during 2022, the Receiver expects that such stay will be revisited in light of Alexandre's plea entered on February 10, 2023.

*A. Financial Condition Analysis*

The Receiver and his forensics team have continued to analyze the immense amount of data available in the EminiFX database, as well as the financial and transaction records obtained by the Receiver in connection with his investigation. The primary goal of this analysis is to generate a reliable general ledger of EminiFX transactions so that the Receiver may continue to

recover assets, administer the receivership estate and prepare any necessary tax filings, and create a claims process to handle the potential claims of tens of thousands of EminiFX users.

After substantial analysis of the data recovered from the EminiFX database, the Receiver and his team have determined that the EminiFX bank account and cryptocurrency exchange account records in his possession will be the critical source of accurate financial information, with the Database providing critical additional information, support, and validation. In the Fourth Quarter 2022, the Receiver's forensics team was able to make substantial progress in attributing transactions in bank account and cryptocurrency exchange account records to EminiFX users, and those efforts will continue throughout the First Quarter 2023. The Receiver still expects that the creation of a reliable EminiFX general ledger to support the Receiver's accounting needs will be complete sometime in the First Quarter 2023.

*B. Administration of Digital Asset Holdings*

Now that the identified outstanding digital assets have been recovered, the Receiver plans to continue to sell the Bitcoin as set forth in the Digital Asset Management Protocol approved by this Court [Dkt. 184]. The Receiver expects that sale to be complete in the Second Quarter 2023.

*C. Motion for Approval of Claims Process*

After the Receiver completes his analysis of the financial condition of EminiFX, he intends to formulate a claims procedure, both for the tens of thousands of potential claims by EminiFX users, as well as what the Receiver expects will be a limited number of claims from non-investors. The Receiver's goal in creating such a process, subject to limitations arising from the state of the EminiFX accounting records, is to present investors with as complete a picture as possible of their net investment amount in EminiFX (i.e., deposits and withdrawals). The Receiver hopes that such a method will reduce the burden on as many investors as possible, while still providing them with

a robust system to submit additional transactions for consideration. Given the volume of claimants, the Receiver expects that this process will take some time. And, as stated above, *the Receiver encourages all investors to maintain as many of their records related to EminiFX as possible, especially concerning deposits and withdrawals.* The Receiver expects to make individual determinations with respect to each of the claims submitted by non-investors. The Receiver further expects to include an objection procedure for non-investor claims that will provide them with a notice and opportunity to be heard. Any proposed claims process will be the subject to approval by this Court, and the Receiver reserves all rights to object to any claim.

D. *Development of Distribution Plan*

As explained in prior reports, once the claims process is complete, the Receiver intends to develop a distribution plan for court approval, accounting for all relevant issues that arose during the claims procedures process. 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.

E. *Evaluation of Potential Litigation Claims*

As part of the administration of the estate, the Receiver intends to evaluate the possibility of litigation claims against third parties for which the estate has standing to pursue under applicable law. The Receiver will seek further relief or instructions from the Court at the appropriate time concerning potential litigation against third parties.

## VII. CONCLUSION

The Receiver will provide a further report within 30 days of the end of the First Quarter 2023, 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  
February 15, 2023

Respectfully Submitted,

By:   
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*Counsel for the Receiver*



# Exhibit 1

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): General Ledger (2022)**

Category	Type	Dkt	Account	Amount (USD)	Date	Balance (USD)
Turnover	Bank 1		General Receivership	\$35,783,299.59	06/01/2022	\$35,783,299.59
Turnover	Bank 1		General Receivership	\$736,526.66	06/01/2022	\$36,519,826.25
Turnover	Bank 1		General Receivership	\$100,000.00	06/01/2022	\$36,619,826.25
Turnover	Bank 1		General Receivership	\$100,000.00	06/01/2022	\$36,719,826.25
Turnover	Bank 1		General Receivership	\$672,925.00	06/01/2022	\$37,392,751.25
Turnover	Bank 1		General Receivership	\$101,174.67	06/01/2022	\$37,493,925.92
Expenses	Rent	42	General Receivership	(\$106,144.68)	06/02/2022	\$37,387,781.24
Recovery	RE Deposit		General Receivership	\$37,000.00	06/09/2022	\$37,424,781.24
Interest	Interest		General Receivership	\$5,739.24	06/16/2022	\$37,430,520.48
Expenses	Payroll	42	General Receivership	(\$181,841.45)	06/17/2022	\$37,248,679.03
Reserve	Alexandre (Payroll)	42	General Receivership	\$54,556.92	06/17/2022	\$37,303,235.95
Reserve	Dieuveuil (Payroll)	42	General Receivership	\$22,152.03	06/17/2022	\$37,325,387.98
Turnover	Bank 1		Alexandre Assets	\$6,615,449.38	06/21/2022	\$43,940,837.36
Turnover	Bank 1		Alexandre Assets	\$100,643.05	06/21/2022	\$44,041,480.41
Recovery	RE Deposit		General Receivership	\$155,000.00	06/22/2022	\$44,196,480.41
Recovery	RE Deposit		Alexandre Assets	\$535,000.00	06/22/2022	\$44,731,480.41
Retainers	Retainer	47	General Receivership	(\$25,000.00)	06/23/2022	\$44,706,480.41
Turnover	Bank 2		General Receivership	\$14,542,354.94	06/28/2022	\$59,248,835.35
Turnover	Bank 2		General Receivership	\$40,797.60	06/28/2022	\$59,289,632.95
Recovery	RE Deposit		General Receivership	\$27,000.00	06/28/2022	\$59,316,632.95
Recovery	Misc Deposit		General Receivership	\$3,300.00	06/28/2022	\$59,319,932.95
Interest	Interest		General Receivership	\$5,789.93	06/30/2022	\$59,325,722.88
Turnover	Broker 1		Alexandre Assets	\$1,752,944.40	07/06/2022	\$61,078,667.28
Recovery	RE Deposit		General Receivership	\$30,000.00	07/08/2022	\$61,108,667.28
Liquidation	Sale of Property	66	Alexandre Assets	\$15,000.00	07/13/2022	\$61,123,667.28
Recovery	RE Deposit		General Receivership	\$45,000.00	07/13/2022	\$61,168,667.28
Recovery	RE Deposit		General Receivership	\$110,000.00	07/14/2022	\$61,278,667.28
Recovery	RE Deposit		General Receivership	\$50,000.00	07/15/2022	\$61,328,667.28
Recovery	RE Deposit		General Receivership	\$80,000.00	07/15/2022	\$61,408,667.28
Recovery	RE Deposit		General Receivership	\$41,200.00	07/21/2022	\$61,449,867.28
Interest	Interest		General Receivership	\$15,510.21	07/29/2022	\$61,465,377.49

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): General Ledger (2022)**

Category	Type	Dkt	Account	Amount (USD)	Date	Balance (USD)
Interest	Interest		Alexandre Assets	\$1,124.29	07/29/2022	\$61,466,501.78
Interest	Interest		Alexandre Assets	\$2,583.17	08/04/2022	\$61,469,084.95
Interest	Interest		General Receivership	\$6,647.99	08/05/2022	\$61,475,732.94
Recovery	RE Deposit		General Receivership	\$57,000.00	08/05/2022	\$61,532,732.94
Expenses	Professional	92	General Receivership	(\$142,938.55)	08/08/2022	\$61,389,794.39
Expenses	Professional	92	General Receivership	(\$251,248.57)	08/08/2022	\$61,138,545.82
Expenses	Professional	92	General Receivership	(\$425,581.42)	08/08/2022	\$60,712,964.40
Expenses	Professional	92	General Receivership	(\$153,285.48)	08/08/2022	\$60,559,678.92
Expenses	Professional	92	General Receivership	(\$14,199.46)	08/08/2022	\$60,545,479.46
Expenses	Professional	92	General Receivership	(\$9,037.18)	08/08/2022	\$60,536,442.28
Retainers	Retainer	91	General Receivership	(\$5,269.68)	08/08/2022	\$60,531,172.60
Expenses	Asset Expenses	91	General Receivership	(\$6,900.00)	08/08/2022	\$60,524,272.60
Recovery	Misc Deposit		General Receivership	\$306,000.00	08/09/2022	\$60,830,272.60
Recovery	RE Deposit		General Receivership	\$50,000.00	08/09/2022	\$60,880,272.60
Recovery	RE Deposit		General Receivership	\$33,000.00	08/25/2022	\$60,913,272.60
Interest	Interest		General Receivership	\$43,992.60	08/31/2022	\$60,957,265.20
Interest	Interest		Alexandre Assets	\$7,663.15	08/31/2022	\$60,964,928.35
Expenses	Asset Expenses	91	General Receivership	(\$30.00)	09/12/2022	\$60,964,898.35
Recovery	Misc Deposit		General Receivership	\$75,000.00	09/15/2022	\$61,039,898.35
Expenses	Payroll	91	General Receivership	(\$615.01)	09/21/2022	\$61,039,283.34
Recovery	Misc Deposit		General Receivership	\$33,000.00	09/23/2022	\$61,072,283.34
Expenses	Asset Expenses	91	General Receivership	(\$4,931.08)	09/27/2022	\$61,067,352.26
Recovery	RE Deposit		General Receivership	\$40,000.00	09/27/2022	\$61,107,352.26
Recovery	RE Deposit		General Receivership	\$30,000.00	09/27/2022	\$61,137,352.26
Recovery	Misc Deposit		General Receivership	\$68,905.07	09/30/2022	\$61,206,257.33
Interest	Interest		General Receivership	\$42,660.24	09/30/2022	\$61,248,917.57
Interest	Interest		Alexandre Assets	\$7,422.24	09/30/2022	\$61,256,339.81
Recovery	RE Deposit		General Receivership	\$30,000.00	10/06/2022	\$61,286,339.81
Recovery	RE Deposit		General Receivership	\$55,000.00	10/06/2022	\$61,341,339.81
Recovery	RE Deposit		General Receivership	\$45,000.00	10/12/2022	\$61,386,339.81
Recovery	RE Deposit		General Receivership	\$26,000.00	10/14/2022	\$61,412,339.81

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): General Ledger (2022)**

Category	Type	Dkt	Account	Amount (USD)	Date	Balance (USD)
Recovery	RE Deposit		General Receivership	\$70,000.00	10/18/2022	\$61,482,339.81
Recovery	RE Deposit		General Receivership	\$40,000.00	10/20/2022	\$61,522,339.81
Recovery	RE Deposit		General Receivership	\$42,000.00	10/20/2022	\$61,564,339.81
Liquidation	Vehicles	91	General Receivership	\$22,813.75	10/20/2022	\$61,587,153.56
Liquidation	Vehicles	91	General Receivership	\$808.65	10/20/2022	\$61,587,962.21
Liquidation	Vehicles	91	General Receivership	\$65,000.00	10/20/2022	\$61,652,962.21
Recovery	RE Deposit		General Receivership	\$50,000.00	10/20/2022	\$61,702,962.21
Expenses	Payroll	91	General Receivership	(\$1,520.61)	10/20/2022	\$61,701,441.60
Recovery	RE Deposit		General Receivership	\$50,000.00	10/21/2022	\$61,751,441.60
Recovery	RE Deposit		General Receivership	\$110,000.00	10/25/2022	\$61,861,441.60
Recovery	RE Deposit		General Receivership	\$35,000.00	10/25/2022	\$61,896,441.60
Recovery	RE Deposit		General Receivership	\$55,000.00	10/25/2022	\$61,951,441.60
Recovery	RE Deposit		General Receivership	\$60,000.00	10/25/2022	\$62,011,441.60
Expenses	Professional	167	General Receivership	(\$99,396.00)	10/25/2022	\$61,912,045.60
Expenses	Professional	167	General Receivership	(\$102,772.50)	10/25/2022	\$61,809,273.10
Expenses	Professional	167	General Receivership	(\$278,067.21)	10/25/2022	\$61,531,205.89
Expenses	Professional	167	General Receivership	(\$90,062.79)	10/25/2022	\$61,441,143.10
Expenses	Professional	167	General Receivership	(\$4,120.08)	10/25/2022	\$61,437,023.02
Expenses	Professional	167	General Receivership	(\$12,314.80)	10/25/2022	\$61,424,708.22
Recovery	RE Deposit		General Receivership	\$46,000.00	10/31/2022	\$61,470,708.22
Interest	Interest		General Receivership	\$51,059.44	10/31/2022	\$61,521,767.66
Interest	Interest		Alexandre Assets	\$8,827.35	10/31/2022	\$61,530,595.01
Recovery	RE Deposit		General Receivership	\$32,000.00	11/03/2022	\$61,562,595.01
Recovery	RE Deposit		General Receivership	\$49,000.00	11/03/2022	\$61,611,595.01
Recovery	RE Deposit		General Receivership	\$35,000.00	11/03/2022	\$61,646,595.01
Recovery	RE Deposit		General Receivership	\$52,000.00	11/03/2022	\$61,698,595.01
Recovery	RE Deposit		General Receivership	\$35,000.00	11/08/2022	\$61,733,595.01
Recovery	RE Deposit		General Receivership	\$49,000.00	11/08/2022	\$61,782,595.01
Recovery	RE Deposit		General Receivership	\$30,000.00	11/08/2022	\$61,812,595.01
Liquidation	Vehicles	91	General Receivership	\$150,000.00	11/08/2022	\$61,962,595.01
Liquidation	Vehicles	91	General Receivership	\$36.89	11/08/2022	\$61,962,631.90

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): General Ledger (2022)**

Category	Type	Dkt	Account	Amount (USD)	Date	Balance (USD)
Liquidation	Vehicles	91	Alexandre Assets	\$14,000.00	11/09/2022	\$61,976,631.90
Recovery	RE Deposit		General Receivership	\$42,000.00	11/15/2022	\$62,018,631.90
Liquidation	Vehicles	91	General Receivership	\$5,026.14	11/18/2022	\$62,023,658.04
Liquidation	Vehicles	91	General Receivership	\$89.25	11/18/2022	\$62,023,747.29
Recovery	RE Deposit		General Receivership	\$65,000.00	11/29/2022	\$62,088,747.29
Recovery	RE Deposit		General Receivership	\$30,000.00	11/30/2022	\$62,118,747.29
Liquidation	Vehicles	91	General Receivership	\$80.75	11/30/2022	\$62,118,828.04
Liquidation	Vehicles	91	General Receivership	\$74.50	11/30/2022	\$62,118,902.54
Turnover	Crypto Ex 1		General Receivership	\$403,139.97	11/30/2022	\$62,522,042.51
Recovery	RE Deposit		General Receivership	\$55,000.00	11/30/2022	\$62,577,042.51
Interest	Interest		General Receivership	\$56,347.37	11/30/2022	\$62,633,389.88
Interest	Interest		Alexandre Assets	\$9,674.76	11/30/2022	\$62,643,064.64
Recovery	RE Deposit		General Receivership	\$40,000.00	12/06/2022	\$62,683,064.64
Recovery	RE Deposit		General Receivership	\$34,000.00	12/06/2022	\$62,717,064.64
Recovery	RE Deposit		General Receivership	\$65,500.00	12/07/2022	\$62,782,564.64
Recovery	RE Deposit		General Receivership	\$172,700.00	12/13/2022	\$62,955,264.64
Recovery	RE Deposit		General Receivership	\$45,000.00	12/13/2022	\$63,000,264.64
Expenses	Payroll	91	General Receivership	(\$456.00)	12/21/2022	\$62,999,808.64
Interest	Interest		General Receivership	\$59,286.00	12/30/2022	\$63,059,094.64
Interest	Interest		Alexandre Assets	\$10,014.63	12/30/2022	\$63,069,109.27

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): Digital Asset General Ledger (2022)**

Digital Asset	Symbol	Date	Category	Source	Amount of Digital Asset	USD at time of Transaction
Orchid Token	OXT	10/20/2022	Turnover	Crypto Exchange 3	17608.78201800	\$1,437.42
Bitcoin	BTC	10/20/2022	Turnover	Crypto Exchange 3	10.98396036	\$210,115.90
Litecoin	LTC	10/20/2022	Turnover	Crypto Exchange 3	44.99320000	\$2,292.85
Decentraland	MANA	10/20/2022	Turnover	Crypto Exchange 3	6234.10220400	\$2,446.74
Dogecoin	DOGE	10/20/2022	Turnover	Crypto Exchange 3	299756.52559966	\$17,602.30
Luna Classic	LUNA	10/20/2022	Turnover	Crypto Exchange 3	111.67037300	\$0.00
Shiba Inu	SHIB	10/20/2022	Turnover	Crypto Exchange 3	1338198877.13078000	\$11,990.26
Gala	GALA	10/20/2022	Turnover	Crypto Exchange 3	470.80141400	\$12.04
Ethereum	ETH	11/2/2022	Turnover	Crypto Exchange 2	1.84351445	\$2,799.06
Ethereum	ETH	11/2/2022	Turnover	Crypto Exchange 2	0.00199937	\$3.16
Bitcoin	BTC	11/2/2022	Turnover	Crypto Exchange 2	0.06249083	\$1,280.31
Bitcoin	BTC	11/4/2022	Turnover	Crypto Exchange 1	9.90807038	\$200,202.47
Bitcoin	BTC	11/4/2022	Turnover	Crypto Exchange 1	0.84611371	\$17,096.57
Bitcoin	BTC	11/4/2022	Turnover	Crypto Exchange 1	0.00002620	\$0.53
Bitcoin	BTC	11/16/2022	Turnover	Crypto Exchange 4	0.00500000	\$84.49
Bitcoin	BTC	11/20/2022	Turnover	Crypto Exchange 4	3658.33264986	\$61,193,480.00

# Exhibit 2

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2022 Balance Sheet**

<b>Assets [1]</b>	<b>Consolidated</b>	<b>General Estate</b>	<b>Alexandre Assets</b>
Cash and Cash Equivalents [2]	\$ 62,992,400	\$ 53,912,054	\$ 9,080,346
Unused Retainers	\$ 30,270	\$ 30,270	\$ -
Digital Assets [3]	\$ 61,031,989	\$ 61,031,989	\$ -
Litigation and Other Claims [4]		<i>To be determined</i>	
<b>Total Assets</b>	<b>\$ 124,054,659</b>	<b>\$ 114,974,313</b>	<b>\$ 9,080,346</b>
<b>Liabilities</b>			
Additional Professional Fees and Expenses for Work Performed but not Paid in 2022 [5]	\$ 755,147	\$ 755,147	\$ -
Tax Liabilities [6]		<i>To be determined</i>	
Receivership Claims [7]		<i>To be determined</i>	
<b>Total Liabilities</b>	<b>\$ 755,147</b>	<b>\$ 755,147</b>	<b>\$ -</b>
<b>Receivership Net Asset Value</b>	<b>\$ 123,299,512</b>	<b>\$ 114,219,166</b>	<b>\$ 9,080,346</b>

**Notes**

[1] All assets and liabilities as of December 31, 2022. 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] Digital Assets are marked to market based on an average of the high price and low price on coinmarketcap.com on December 31, 2022. Digital assets are highly volatile and their value may fluctuate substantially over time.

[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 approved in 2023 for work performed in 2022.

[6] The estate does not anticipate having a tax liability for 2022 for post-receivership activities. 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 investor claims, as well as other potential claims. The value of these claims is not yet known and will not be fixed until a claims process is submitted to the Court for approval, is approved by the Court, and is completed by the Receiver.



**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2022 Income Statement**

<b>Income [1]</b>	<b>Consolidated</b>	<b>General Estate</b>	<b>Alexandre Assets</b>
Interest on Accounts	\$ 334,343	\$ 287,033	\$ 47,310
Real Estate Deposit Recoveries [2]	\$ 2,865,400	\$ 2,330,400	\$ 535,000
Other Recoveries [2]	\$ 486,205	\$ 486,205	\$ -
<b>Total Income</b>	<b>\$ 3,685,948</b>	<b>\$ 3,103,638</b>	<b>\$ 582,310</b>
<b>Expenses</b>			
Administrative Expenses - Paid	\$ 1,583,024	\$ 1,583,024	\$ -
Administrative Expenses - Performed [3]	\$ 755,147	\$ 755,147	\$ -
Asset Recovery Expenses	\$ 11,861	\$ 11,861	\$ -
Rent and Related Expenses	\$ 106,145	\$ 106,145	\$ -
Payroll and Related Expenses [4]	\$ 184,433	\$ 184,433	\$ -
<b>Total Expenses</b>	<b>\$ 2,640,610</b>	<b>\$ 2,640,610</b>	<b>\$ -</b>
<b>Receivership Net Income</b>	<b>\$ 1,045,338</b>	<b>\$ 463,028</b>	<b>\$ 582,310</b>
Offset for Additional Potential Claims [5]	\$ 841,000	\$ 306,000	\$ 535,000
Receivership Adjusted Net Income	\$ 204,338	\$ 157,028	\$ 47,310

**Notes**

[1] Income from May 11, 2022 to December 31, 2022. 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] Fees and expenses approved in 2023 for work performed in 2022.

[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): 2022 Statement of Cash Flows**

	Consolidated	General Estate	Alexandre Assets
<b>Cash on Hand at Beginning of Period [1]</b>	\$ -	\$ -	\$ -
<b>Asset Turnovers and Liquidations [2]</b>			
Bank 1 Turnover of Accounts	\$ 44,210,018	\$ 37,493,926	\$ 6,716,092
Bank 2 Turnover of Accounts	\$ 14,583,153	\$ 14,583,153	\$ -
Brokerage 1 Turnover of Account	\$ 1,752,944	\$ -	\$ 1,752,944
Crypto Exchange 1 Turnover of Account	\$ 403,140	\$ 403,140	\$ -
Liquidation of Vehicles	\$ 257,930	\$ 243,930	\$ 14,000
Liquidation of Office Equipment	\$ 15,000	\$ -	\$ 15,000
<b>Total Cash Flow from Asset Turnovers and Liquidations</b>	<b>\$ 61,222,185</b>	<b>\$ 52,724,149</b>	<b>\$ 8,498,036</b>
<b>Receivership Activities</b>			
Interest	\$ 334,343	\$ 287,033	\$ 47,310
Real Estate Recoveries	\$ 2,865,400	\$ 2,330,400	\$ 535,000
Other Recoveries	\$ 486,205	\$ 486,205	\$ -
Professional Fees and Retainers	\$ (1,613,294)	\$ (1,613,294)	\$ -
Asset Recovery Expenses	\$ (11,861)	\$ (11,861)	\$ -
Rent and Related Expenses	\$ (106,145)	\$ (106,145)	\$ -
Payroll and Related Expenses [3]	\$ (107,724)	\$ (107,724)	\$ -
<b>Total Cash Flow from Receivership Activities</b>	<b>\$ 1,846,924</b>	<b>\$ 1,264,614</b>	<b>\$ 582,310</b>
Net Cash in Receivership Accounts	\$ 63,069,109	\$ 53,988,763	\$ 9,080,346
Reserves for certain payroll expenses [3]	\$ (76,709)	\$ (76,709)	\$ -
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>\$ 62,992,400</b>	<b>\$ 53,912,054</b>	<b>\$ 9,080,346</b>

**Notes**

[1] Cash flows from May 11, 2022 to December 31, 2022. 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 the turnover of cryptocurrency or other assets, as such assets are not denominated in United States dollars and do not represent cash.

[3] Payroll expenses for Alexandre and his wife, currently held in reserve by the Receiver pending further determination of the Court.