

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-v- :

PLATINUM MANAGEMENT (NY) LLC; :
 PLATINUM CREDIT MANAGEMENT, L.P.; :
 MARK NORDLICHT; :
 DAVID LEVY; :
 DANIEL SMALL; :
 URI LANDESMAN; :
 JOSEPH MANN; :
 JOSEPH SANFILIPPO; and :
 JEFFREY SHULSE, :

Defendants. :

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No. 16-CV-6848 (BMC)

THE RECEIVER’S FIFTEENTH STATUS REPORT TO THE COURT

Melanie L. Cyganowski, the duly appointed Receiver (the “Receiver”) of Platinum Credit Management, L.P., Platinum Partners Credit Opportunities Master Fund LP,¹ Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., Platinum Partners Liquid Opportunity Master Fund L.P., Platinum Partners Credit Opportunities Fund International Ltd and Platinum Partners Credit Opportunities Fund International (A) Ltd (collectively, the “Receivership Entities,” the “Platinum Entities” or “Platinum”), by her undersigned counsel, hereby submits this Fifteenth Status Report, covering the period from January 1, 2021 through and including March 31, 2021 (the “Reporting Period”).

¹ Platinum Partners Credit Opportunities Master Fund LP and its feeder funds are collectively referred to herein as “PPCO” or “PPCO Funds” and the Platinum Partners Liquid Opportunity Funds are collectively referred to as “PPLO” or “PPLO Funds”.

This quarterly status report is being filed in accordance with the requirements of the Second Amended Order Appointing Receiver (the “Receiver Order”), entered on October 16, 2017 by the District Court for the Eastern District of New York (the “Court”). [Dkt. No. 276].

I. PRELIMINARY STATEMENT

During the Reporting Period, the Receiver and her team² (i) reviewed and analyzed each of the claims filed in the receivership case (the “Receivership”) to make determinations regarding allowance or disallowance of such claims and filed a report with the Court setting forth the Receiver’s determinations; (ii) engaged in initial discussions with several creditors regarding their claims; (iii) continued to draft a plan of distribution; (iv) attended to and resolved remaining matters related to an appeal from the dismissal of certain claims asserted in the “Beechwood Action”³ that were not addressed in the global settlement; (v) continued to work on reaching a final agreement to resolve inter-estate claims between the Receivership Entities and the joint liquidators for Platinum Partners Value Arbitrage Fund L.P. (together with its feeder funds, “PPVA” or “PPVA Funds”); (vi) monitored the personal bankruptcy case of Mark Nordlicht (“Nordlicht”) and continued discussions with parties in interest to seek to reach mutually beneficial agreements; and (vii) completed the sales of certain assets that were sold through a remnant sale process and continued to monitor the market to sell certain other remaining assets.

As previously reported, certain of the settlements that the Receiver reached during the course of the Receivership are confidential. To preserve the confidentiality of these settlements,

² To assist her with her duties, the Receiver retained, with the approval of the Court (on July 21, 2017), Otterbourg P.C. (“Otterbourg”) as her legal counsel [Dkt. no. 231] and Goldin, a Teneo Company as her financial advisor [Dkt. no. 232] (“Teneo” (f/k/a Goldin) and, together with Otterbourg, the “Receivership Team”).

³ The “Beechwood Action” refers to the litigation commenced by the Receiver in the United States District Court for the Southern District of New York, Case 1:18-cv-12018, against various defendants seeking to avoid certain liens that would adversely impact potential distributions to investors and creditors.

the Receiver advised that she would not disclose and will not be disclosing details of *any* settlements, including the identity of the settling parties, the amounts agreed to be paid by such parties, whether such amounts are to be paid in structured payouts and over what period of time, and/or the source of any litigation-related funds received in any reporting period, unless such details are matters of public record by virtue of a motion for Court approval of such settlement or otherwise.

II. SUMMARY OF OPERATIONS OF THE RECEIVERSHIP

A. Appointment of Receiver and Duties

On December 19, 2016, the District Court entered an Order Appointing Receiver [Dkt. Nos. 6 and 16], which appointed Bart Schwartz as receiver (the “Prior Receiver”). At the time of his appointment, the Prior Receiver was serving as a monitor for the Platinum Entities.

On June 23, 2017, after six months, the Prior Receiver resigned and, upon the recommendation of the SEC, by Order dated July 6, 2017, Melanie L. Cyganowski was appointed as Receiver, effective immediately (*i.e.*, July 6, 2017), and ordered to assume all authority held by the Prior Receiver. [Dkt. No. 216].

Under the terms of the Receiver Order, the Receiver is, among other things, required to preserve the *status quo*, ascertain the extent of commingling of funds, ascertain the true financial condition of the Platinum Entities, prevent further dissipation of property and assets of those entities, prevent the encumbrance or disposal of property or assets of the Platinum Entities, preserve the books, records, and documents of the Platinum Entities, be available to respond to investors’ inquiries, protect investors’ assets, conduct an orderly wind down, including a responsible disposition of assets and an orderly and fair distribution of those assets, and determine whether one or more of the Receivership Entities should undertake bankruptcy filings.

B. Analysis and Disposition of Receivership Assets

The review of the assets in the Receivership's asset portfolio is substantially complete. The final closing from the sale of the remnant assets marketed during the fourth quarter of 2020 closed during the Reporting Period. There are currently four remaining assets that the Receiver continues to monitor, including assets in which the Receiver retained a residual interest and assets that are jointly held with PPVA that have potential value. In addition, during the Reporting Period, the Receiver commenced a litigation to enforce her rights with respect to the Decision Diagnostics investment, as described further below.

During the current Reporting Period, the Receivership received approximately \$68,000. This amount is in addition to the approximately \$86.5 million received by the Receivership from the liquidation of various assets from the date of appointment of the Receiver. Certain parties have asserted secured claims to all or part of the proceeds of such liquidated investments, most of which have been resolved pursuant to the settlement in the Beechwood Action or with Heartland Bank.

C. Investigation of Pre-Receivership Activities and Litigation

During the Reporting Period, the Receivership Team addressed remaining matters in the Beechwood Action.

As previously reported, on July 1, 2020, the Receiver entered into two settlement agreements in connection with the Beechwood Action, both of which were approved by the Court on July 20, 2020 [Dkt. No. 538]. The details of the settlements are set forth in the Receiver's prior status reports and in the motion seeking approval of the settlements.

Although the Receiver settled substantially all claims in the Beechwood Action, the Receiver's appeal of Judge Rakoff's pre-settlement decision granting summary judgment in

favor of one of the defendants, defendant PBIHL, continued post-settlement. At the end of 2020, the Receiver and PBIHL participated in mediation, which resulted in an agreement in principle. Shortly before year end, however, PBIHL commenced a liquidation proceeding in Bermuda and the settlement became subject to the review of the newly appointed liquidators. During the Reporting Period, the Receivership Team continued discussions with the liquidators and their counsel in the United States. The joint liquidators agreed to enter into a settlement on substantially similar terms as those negotiated with prior management and the settlement agreement was finalized during the Reporting Period, thus resolving the appeal and all claims between the Receiver and PBIHL.

D. Administrative Matters

During the Reporting Period, the Receiver and the Receivership Team continued to speak with various interested parties and groups, including the joint liquidators for PPVA,⁴ the SEC and Platinum investors and creditors. The Receiver updates the Receiver's website with key documents, answers to frequently asked questions and status reports to investors. The Receivership Team also filed and responded to other applications made before this Court and in other court proceedings involving Platinum.

1. PPVA. Since the Receiver's appointment, she and the Receivership Team have kept in frequent communication with the Joint Liquidators for the PPVA Master Fund and the PPVA Feeder Fund and/or their staff to discuss issues of mutual interest. PPVA and PPCO have each analyzed and discussed potential claims against the estate of the other stemming from pre-Receivership transactions. Upon the Receiver's appointment, the Receiver and the Joint Liquidators agreed to hold the resolution of any such purported claims in abeyance during the

⁴ PPVA is the subject of insolvency proceedings pending in the Cayman Islands and a Chapter 15 bankruptcy proceeding in the U.S. Bankruptcy Court for the Southern District of New York.

cases. During the second half of 2020 and continuing during the Reporting Period, the Receiver engaged in settlement discussions with the Joint Liquidators of PPVA regarding a resolution of such purported claims and any remaining mutual interests, including their joint interest in Agera Energy LLC and Agera Holdings, LLC (collectively, “Agera”).⁵ A resolution was reached subject to documentation and court approvals, where required.

During the Reporting Period, the PPVA Joint Liquidators and the Receivership Team continued to review and revise the proposed settlement agreement and ensure that all items of mutual interest are adequately addressed. The proposed settlement agreement is still in the process of being finalized. The Receiver believes that the resolution of all issues with PPVA is in the best interest of the Receivership as it will avoid additional litigation and help enable the Receiver to put forth a plan of distribution.

2. **Nordlicht Bankruptcy Case.** The Receiver has been monitoring Nordlicht’s personal bankruptcy case (the “Nordlicht Bankruptcy Case”),⁶ including participating in court hearings, as well as communicating with one of the largest creditors in the Nordlicht case, Richard Stadtmauer, who also has filed significant claims against the Receivership Entities. The Receiver has filed a proof of claim on behalf of PPCO in the Nordlicht Bankruptcy Case, asserting a claim in the amount of not less than \$219 million. The claim is subject to review and objection by the Chapter 7 Trustee. It is uncertain, even if allowed in whole or in part, what recovery, if any, may be available from the Nordlicht Bankruptcy Case, which currently has

⁵ Agera is a retail energy service company. In June 2016, prior to the receivership, Principal Growth Strategy, LLC (“PGS”), which is owned 55% by PPVA and 45% by PPCO, sold a portion of its interests in Agera to certain entities affiliated and/or associated with Beechwood Re Investments LLC. Pursuant to their respective interests in PGS, both PPVA and PPCO agreed that PGS would pursue certain claims and causes of action relating to its ownership of a certain promissory note convertible into 95% of the common equity of Agera’s subsidiary, energy reseller Agera Energy. In connection with such agreement, a complaint was filed in the Court of Chancery of the State of Delaware on June 7, 2019 against numerous defendants.

⁶ Nordlicht filed a Chapter 7 bankruptcy petition on June 29, 2020 in the United States Bankruptcy Court for the Southern District of New York. Case No. 20-22782-rdd.

extensive claims filed against it and has limited assets with which to satisfy those claims. The Receiver continues to periodically engage in discussions with the Chapter 7 Trustee regarding the case and claims held by each against the other's estate. Additionally, the Receiver filed a complaint objecting to the discharge of Nordlicht (the "Discharge Complaint"). During the Reporting Period, Nordlicht filed a Motion to Dismiss the Discharge Complaint. The Receivership Team reviewed the Motion to Dismiss and prepared papers objecting to the Motion to Dismiss, which were filed subsequent to the Reporting Period. The Receivership team continues to engage in discussions with Nordlicht and his counsel regarding the discharge action.

3. Website and Investor Communications. The Receiver retained Epic to create and maintain the Receiver's website (www.PlatinumReceivership.com). This website provides investors and other interested parties with, among other things, periodic status reports, access to court documents and answers to frequently asked questions. The Receiver revises the website as necessary to update the "Frequently Asked Questions" section and to add "key documents." The website allows interested parties to sign up to receive daily notices whenever there are new filings on the Receivership docket. The Receiver and the Receivership Team have attempted to respond to investor inquiries and continue to regularly respond and react to inquiries and requests for information.

4. Criminal Trial. Following the criminal trial of Nordlicht, David Levy and Joseph SanFilippo, the jury returned a verdict convicting Nordlicht and Levy of defrauding bondholders in Black Elk Offshore Operations LLC, but acquitting each of them on the remaining charges. SanFilippo was acquitted on all counts with which he was charged. The Court thereafter overturned the jury verdict with respect to Levy and ordered a new trial with respect to Nordlicht. The Department of Justice has appealed those decisions, and in the interim,

two additional criminal trials have been delayed. The Receivership Team continues to monitor the appellate process.

5. **Taxes.** During the Reporting Period, Platinum's Chief Financial Officer worked with Deloitte Tax LLP to monitor its efforts to prepare local, state and federal tax returns. Preparation of PPCO's and PPLO's 2020 tax returns is nearing completion and the Receiver expects to mail K-1s to investors by the beginning of the third quarter of this year. In 2020, the IRS released revised instructions for partnerships required to report capital accounts to partners on Schedule K-1 (Form 1065). Pursuant to the new IRS instructions, the partners' capital account disclosed in section L of the schedule K-1 is prepared on the tax basis method (not GAAP). As a result, the beginning account balance may differ from the prior year's ending capital balance which was reported on a GAAP basis. The partner tax basis capital amounts do not represent an investor's adjusted tax basis in the partnership and should be determined in accordance with applicable federal and state provisions. In addition, the amounts listed on the K-1s are not necessarily reflective of what distributions investors may ultimately receive in this case. The Receiver cannot provide any tax advice. Investors are encouraged to consult their own tax advisor on the impact of the K-1 statements on individual tax returns.

6. **SEC Meetings.** The Receiver has frequent communications with SEC staff to keep them apprised of ongoing matters as to which SEC input is appropriate, to alert them to certain filings by the Receiver and to keep the SEC apprised of the status of the claims process and wind down of the estate. The Receiver and the Receivership Team also had periodic communications with SEC personnel about pending matters before the Court for which SEC input was appropriate.

7. **Receivership Estate Oversight.** The Receiver and the Receivership Team also devoted time during the Reporting Period to the general oversight of the Platinum Entities and the estate. Conferences with the Receiver and members of the Receivership Team, via conference call or videoconference, occurred on a regular basis to facilitate the exchange of relevant information, including the status of certain assets being monitored, the claims process, the plan of distribution and other administrative matters. The Receiver maintained direct oversight over all legal and financial-related work being done by her Receivership Team. Otterbourg attorneys assisted the Receiver, along with assistance from Platinum's CFO and Teneo, in analyzing budget, cash management and other administrative issues of the Receivership estate.

III. CASH, EXPENSES AND UNENCUMBERED ASSETS

A schedule summarizing cash receipts and disbursements, as well as cash on hand for the Reporting Period, is set forth in the Schedule of Receipts and Disbursements attached hereto as **Exhibit A.**

As of March 31, 2021, the Receivership Entities had approximately \$22.8 million in funds. Certain parties have claimed an interest in certain sold assets and have asserted claims to a portion of the sale proceeds of such assets (as opposed to a general claim against the Receivership Entities). Other parties have presented documentation which purportedly grant them security interests in all or certain of Platinum's assets. These secured claims were challenged and have been substantially resolved pursuant to settlements in the Beechwood Action.

Cash disbursements during the Reporting Period totaled approximately \$476,000. This amount consisted primarily of (i) \$275,000 in professional expenses and (ii) \$199,000 in

business asset expenses (payroll and related expenses paid to Platinum employees, as well as office rent).

It is estimated that, as of March 31, 2021, accrued and unpaid administrative expenses amount to approximately \$5.6 million. This amount includes the estimate of fees and expenses that have been incurred by the Receiver, Otterbourg and Teneo during the Reporting Period and that will be requested in future applications, holdbacks for prior applications of the Receiver, Otterbourg and Teneo and holdbacks to the Prior Receiver's counsel (Cooley) with respect to its interim fee application. In addition to these unpaid administrative expenses, the Receiver paid remaining in-house Platinum staff and other operating expenses during the Reporting Period.

Cash receipts during the Reporting Period totaled approximately \$68,000. This amount consists of proceeds from the sales of the final two remnant assets, interest and dividends.

IV. RECEIVERSHIP PROPERTY

As of March 31, 2021, the primary assets of the estate ("Receivership Property") consisted of the following:

- (i) Cash and cash equivalents of approximately \$22.8 million;
- (ii) Remaining stock and royalty interests, litigation financing and other miscellaneous investments; and
- (iii) Potential litigation claims.

A list of Receivership Property – namely, each asset of the PPCO and PPLO entities – is attached hereto as **Exhibit B**.⁷

The review of the non-litigation assets in the Receivership's asset portfolio is substantially complete. The assets that the Receiver believes could be liquidated have been and

⁷ The Receivership Property List has been updated to reflect realizations in the current quarter, as well as, corporate actions or events that resulted in a divestment or cancellation of the Funds' interest in an investment.

all of the sales resulting from the marketing of the remnant assets have now closed. In addition to the litigation seeking the turnover of the Receivership's equity interest in Decision Diagnostics, there are a few remaining assets that the Receiver continues to actively monitor, including shared assets with PPVA that may have potential value to the Receivership Estate.

Below is an overview of certain of non-litigation assets (although the assets may be subject to litigation) in which the Receiver and the Receivership Team have focused on during the Reporting Period or that have been monetized during the Reporting Period. The below summaries include a brief description of the nature of the asset, work performed, and status during the Reporting Period.

1. **Decision Diagnostics** – refers to Decision Diagnostics Corp. ("Decision Diagnostics"), a company that describes itself on its website as "a leading manufacturer of low cost home testing devices and test strips for use with legacy meters." Despite that description, Decision Diagnostics announced in March 2020 that it had developed a COVID-19 test, causing its publicly-traded stock to jump in price and the Securities and Exchange Commission to institute a suspension in trading. On December 17, 2020, the United States Government unsealed an indictment of Decision Diagnostic's CEO, Keith Berman, for securities and other fraud in connection with Decision Diagnostic's purported COVID-19 testing capabilities. That same day, the SEC commenced a civil enforcement action against Decision Diagnostics and Berman related to the same conduct. Decision Diagnostic's stock price is now trading at or near its pre-COVID-19 level.

Alpha Credit Resources LLC ("Alpha Credit"), a wholly-owned subsidiary of PPCO, holds certain common and preferred shares, convertible into common shares, in Decision Diagnostics. According to certain of Decision Diagnostics' financial statements, Decision

Diagnostics purported to cancel certain of Alpha Credit's shares in Decision Diagnostics. Decision Diagnostics also took active steps to prevent the Receiver from liquidating Alpha Credit's shares, by, among other things, refusing to remove a restrictive legend from Alpha Credit's shares in Decision Diagnostics and to convert Alpha Credit's preferred shares in Decision Diagnostics into common shares. The Receiver believes that Decision Diagnostics' actions in purporting to cancel, refusing to remove the restrictive legend from, and refusing to convert Alpha Credit's shares are unjustified, constitute a contempt of the Receiver Order and violate applicable law.

Consequently, after refusing the Receiver's repeated demands to restore, recognize and convert, as applicable, Alpha Credit's shares, during the Reporting Period, the Receiver initiated a proceeding in the United States District Court for the Eastern District of New York to enforce her rights with respect to the Receivership's holdings in Decision Diagnostics. *See Melanie L. Cyganowski, as Receiver and Agent v. Decision Diagnostics, Inc.*, 2:21-cv-00888-JMA-ST. The litigation is in its early stages and the outcome and the value that the Receiver may recover is still unknown. The Receiver continues to engage in discussions with Decision Diagnostics.

2. Remnant Sale. Following a review of the remaining assets in the portfolio, the Receiver and the Receivership Team identified a limited number of assets that they believed may have value, albeit limited, and marketed the assets through a remnant sale process. Ultimately, eight (8) assets were identified and marketed: (i) warrants in Bang Holdings Corporation; (ii) stock in Echo Therapeutics, Inc.; (iii) limited partner interests in Grey K Environmental Fund II LP; (iv) participation interest in a loan to Nico Steel Holdings Limited that is collateralized by stock in the company;⁸ (v) stock in Nordaq Energy; (vi) an assignment of proceeds of a loan in

⁸ An offer was received and accepted for Nico Steel prior to the launch of the remnant sale "teaser," but for the purposes of this report is being considered as part of the remnant sale assets.

the Pro Players loan portfolio; (vii) stock in Star Phoenix Group Ltd.; and (viii) rights to a litigation funding loan made to Total Asset Recovery Services, LLC that is dependent upon the outcome of the litigation. The majority of the sales closed during the fourth quarter of 2020. During the Reporting Period, sale proceeds from the sale of the Pro Player asset were received and the sale of the Grey K asset closed and proceeds were received. Accordingly, in addition to the \$37,000 previously received with respect to the remnant assets, an additional \$17,500 was received during the Reporting Period with respect to the remnant sale assets.

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

The Receiver and the Receivership Team have analyzed other pre-Receivership activities, including transfers made by PPCO and PPLO to other entities and individuals, and the professional services provided by, among others, valuation agents, fund administrators, auditors and legal advisors, to determine if any additional causes of action exist that, on a cost-benefit basis, warrant the commencement of litigation. Where mutual releases are warranted, the Receiver has sought and obtained such releases. Additionally, during the Reporting Period, the Receiver continued to evaluate the claims of insiders of the Platinum Entities and is engaging in conversations with certain of the insiders regarding the allowance or disallowance of their claims. Whether and the extent to which the Receiver may commence additional affirmative actions, will likely be addressed as part of the proposed plan of distribution.

VI. LIABILITIES OF THE RECEIVERSHIP ESTATE

Pursuant to Paragraph 47 of the Receiver Order, below please find a description of the Receivership Estate's potential liabilities. Certain liabilities described herein, particularly those pertaining to creditor claims, are uncertain, and will remain as such until the Receivership Team concludes the claims reconciliation process.

A. Creditors. The creditor-related information presented below is based on prior management's books and records, which are as of December 19, 2016, the date Platinum entered receivership. The Receivership Team has been testing the veracity of these numbers and the underlying liability as part of its claims analysis and plan preparation processes. The validity and amount of claims may differ materially from the values reported by prior management.

- PPCO lenders: PPCO owed approximately \$69.1 million in principal (not including interest) to certain lenders. As a result of the settlement in the Beechwood Action, almost all of this debt has been eliminated.
- PPCO unpaid redemptions: \$28.2 million in unpaid redemption requests were made by 21 PPCO investors.
- PPLO unpaid redemptions: \$6.5 million in unpaid redemption requests were made by 3 PPLO investors.
- PPCO and PPLO outstanding payables: PPCO and PPLO had \$2.7 million of outstanding payables attributable to 23 vendors.⁹

Additional claims were filed through the claims process, including claims of former employees of Platinum. In connection with the claims process, the Receiver is seeking to disallow or reduce many of these claims. The total amount of allowed claims will not be known until the claims reconciliation process has concluded.

B. Accrued Administrative Expenses. As of March 31, 2021, accrued and unpaid administrative expenses amounted to approximately \$5.6 million. These administrative expenses primarily consist of accrued and unpaid professional fees. In addition to these unpaid administrative expenses, the Receivership Estate has budgeted approximately \$80,000 per month

⁹ This amount reflects PPCO's books and records, but may be revised based upon the review of the filed pre-Receivership general unsecured claims.

to pay the remaining in-house Platinum staff (the CFO and information technology consultant) and to cover other operating expenses, such as office rent, which has been meaningfully reduced as a result of the Pandemic and smaller workforce. Specifically, the Receiver entered into a new lease for smaller office space starting on July 1, which will reduce the monthly rent expense by approximately \$8,000.

C. Disbursements to Preserve the Value of Certain Investments. No significant expenses were incurred by the Platinum Entities to maintain any of the remaining portfolio investments. No significant expenses, other than overhead expenses and the professional fees of the Receivership Team, are expected going forward.

D. Investors. The Receiver currently believes that there are 286 known investors in the Platinum Entities. Platinum's books and records reflect that unaffiliated investor claims total at least \$337.1 million, including claims for unpaid redemptions by unaffiliated investors totaling at least \$34.5 million, and that affiliated investor claims currently total at least \$19.7 million after taking into account amounts settled in the Beechwood Action. After conferring with the SEC, at this time, to protect the privacy of such investors, the Receiver is not filing with this Status Report a list of the names of each investor and the amount of such investor's net cash investment. Pursuant to the approved claims reconciliation process, and as described further in the next section, investors will be notified of the total investments in and distributions from the Platinum entities as reflected in Platinum's books and records.

VII. CLAIMS ANALYSIS AND PLAN OF DISTRIBUTION

Pursuant to the previously-approved bar date procedures motion [Dkt. No. 453], the bar date to file a proof of claim asserting a claim arising before the Receivership was March 29, 2019 and the bar date for governmental units to file a proof of claim was April 12, 2019. In

excess of 300 claims were filed. Parties holding investor claims, claims for unpaid redemptions and unpaid administrative claims were not required to file proofs of claim.

During the Reporting Period, the Receivership Team's primary focus was on analyzing claims and preparing a plan of distribution and related documents. In accordance with the Order approving the procedures to reconcile claims and verify interests, entered on December 1, 2020 (the "Claims Procedures and Verification Order") [Dkt. No. 554], Platinum's CFO and the Receivership Team engaged in an extensive review of each of the filed claims, analyzed the documents provided in support of each claim, compared the claims to Platinum's books and researched legal issues when necessary.

The Receiver completed her review during the Reporting Period and on March 9, 2021 filed a Notice of Receiver's Claims Analysis Report (the "Claims Report"), which sets forth her determinations with respect to each of the claims. [Dkt. No. 564] Certain claims were allowed as filed or pursuant to previously reached settlements, others disallowed in total and others partially allowed. The Claims Report provides the basis for the disallowance or partial disallowance for each of the claims, as applicable. The reasons for disallowance vary, including the filing of duplicate claims, claims against non-receivership entities, claims that are investor claims, claims that are not supported by adequate documentation, and claims in which the Receiver does not believe that the Receivership bears any liability (or at least not full liability). Claimants have until April 23, 2021 (unless an extension is mutually agreed upon in writing) to object to the Receiver's determinations in the Claims Report. During the Reporting Period, the Receivership Team had discussions with several claimants in the hopes of reaching a resolution regarding an allowed claim amount. For those claims in which the Receiver and the objecting

party cannot come to an agreement, including through a mediation process, the dispute will be brought to the Court for resolution.

The Claims Report solely relates to general unsecured claims and secured claims. In accordance with the Claims Procedures and Verification Order, investors, including unpaid redeemers, will be receiving in the next few weeks a letter that contains information regarding that investor's equity interest in one or more Receivership Entities (the "Investor Letter"). The letter will set forth the amounts invested in one or more Receivership Entities and the amounts previously received as distributions on account of the investor's equity interest, all as reflected in the books and records of the Receivership Entities. Investors will have an opportunity to review the information provided and refute the information provided, but solely on the basis that the books and records of the Receivership Entities are inaccurate, which must be supported by documentation from the investor. The investor will also be asked to provide a W-9 statement and wire instructions to receive any distribution (if the investor is ultimately entitled to a distribution).

The amounts reflected (or that will be reflected) in the Claims Report and the Investor Letter are not necessarily equal to or indicative of any recoveries a creditor or investor may receive from one or more Receivership Entities. The Receiver continues to work on a plan of distribution, the filing of which has been delayed as she and the Receivership Team continue to consider issues that are impacted by, among other things, the claims reconciliation process, distribution issues and issues concerning Cayman law. In the motion seeking approval of a plan of distribution in the Receivership, the Receiver will seek the Court's approval of, among other things, (i) the distribution methodology to apply in calculating the distribution to be made on

account of each claim and equity interest and (ii) the treatment of claims and equity interests under the plan of distribution.

Investors and creditors will have the opportunity to object to the plan of distribution and any of its provisions, including the distribution methodology and treatment of claims and equity interests, in connection with the requested approval of the plan of distribution. The Receiver cannot at this time state what distributions will ultimately be to creditors and investors. Following approval of a plan of distribution, the timing of distributions will also be impacted by, among other things, the resolution of certain of the larger disputed claims (for which the establishment of reserves may be required).

VIII. RECOMMENDATIONS FOR CONTINUATION OR DISCONTINUATION OF RECEIVERSHIP

As during prior Reporting Periods, the Receiver believes that continuation of the receivership is in the best interests of the creditors of and investors in the Platinum Entities. For the reasons stated in the Receiver's previous Status Reports and in the Receiver's Response to Minute Order [Dkt. Nos. 516], the Receiver continues to believe that winding down the case, administering claims and seeking approval of a plan of distribution is in the best interest of creditors and investors.

A more detailed explanation and reasoning for why the Receiver believes that, at this time, the interests of all stakeholders would be best served by continuing to administer the Receivership outside of bankruptcy is set forth in the Receiver's Response to Minute Order. On January 22, 2020, the Court issued an Order on the docket finding that compelling the Receiver to file a bankruptcy petition at that point would not be in the best interest of all parties. The Receiver believes the Court's finding is particularly applicable at this time as the Receiver is in the midst of the claims reconciliation process and formulation of a plan of distribution.

IX. CONCLUSION

The Receiver is attending to a couple of remaining assets, such as Decision Diagnostics and a few shared assets with PPVA. The Receivership is focused on the claims reconciliation process and the preparation of a plan of distribution of assets to creditors and investors to present to the court for approval.

Dated: April 20, 2021

Otterbourg P.C.

By: /s/ Adam C. Silverstein

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On Behalf of Melanie L. Cyganowski, as Receiver

EXHIBIT A

PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND LP AND AFFILIATED ENTITIES**Schedule of Receipts and Disbursements**

	Period from 1/1/2021 to 3/31/2021			Cumulative Total from 7/7/2017 to 3/31/2021		
	PPCO	PPLO	Total	PPCO	PPLO	Total
Cash (Beginning of Period)	\$ 19,737,965	\$ 3,469,908	\$ 23,207,872	\$ 7,788,872	\$ 1,617,492	\$ 9,406,363
Receipts						
Business Income	-	-	-	-	-	-
Cash and Securities	-	-	-	-	-	-
Interest/Dividend Income	11,376	39,005	50,381	106,863	91,472	198,335
Asset Sales and Third-Party Litigations Proceeds	17,500	-	17,500	84,439,835	1,818,681	86,258,516
Other Receipts	-	-	-	801,896	3,294	805,190
Total Receipts	\$ 28,876	\$ 39,005	\$ 67,881	\$ 85,348,594	\$ 1,913,447	\$ 87,262,041
Disbursements						
Disbursements to Investors/Claimants	-	-	-	(17,874,754)	-	(17,874,754)
Disbursements for Receivership Operations	-	-	-	-	-	-
Disbursements to Receiver or Other Professionals	(275,387)	-	(275,387)	(27,229,715)	(2,575)	(27,232,290)
Business Asset Expenses	(198,631)	(399)	(199,030)	(6,766,437)	(810)	(6,767,247)
Personal Asset Expenses	-	-	-	-	-	-
Investment Expenses	-	-	-	(19,692,757)	-	(19,692,757)
Third-Party Litigation Expenses	-	-	-	-	-	-
Tax Administrator Fees and Bonds	(1,500)	-	(1,500)	(115,814)	(19,039)	(134,854)
Federal and State Tax Payments	-	-	-	-	-	-
Disbursements for Distribution Expenses Paid by the Fund	-	-	-	(2,166,667)	-	(2,166,667)
Disbursements to Court/Other	-	-	-	-	-	-
Total Disbursements	\$ (475,518)	\$ (399)	\$ (475,917)	\$ (73,846,144)	\$ (22,425)	\$ (73,868,568)
Cash (End of Period)	\$ 19,291,322	\$ 3,508,514	\$ 22,799,836	\$ 19,291,322	\$ 3,508,514	\$ 22,799,836

EXHIBIT B

Receivership Property List

PPCO Assets

Asset Name	Asset Type
1) Abdala Tailings Project	Royalty Stream
2) Acceleration Bay	Back-end proceeds from litigation
3) Activision TV, Inc.	Patent Portfolio
4) Agera Energy LLC	Preferred Stock
5) Carbon Credits	Participations in PPVA deals
6) Celsius Resources Ltd	Common Stock
7) China Horizon Investment Group Ltd.	Loan Receivable
8) Claus Shelling Family Trust	Life Settlements Portfolio
9) Credit Card Receivables Portfolio	Loan Receivable
10) Decision Diagnostics Corp.	Preferred Stock
11) Environmental Service Professionals, Inc.	Common Stock
12) Khorrani Pollard & Abir, LLP	Loan Receivable
13) Golden Gate Oil LLC	Notes Receivable
14) Millennium Healthcare, Inc.	Common Stock
15) MMP Resources Limited (f/k/a Sino Construction)	Common Stock
16) Montsant Partners LLC	Loan Receivable
17) Nisayon International Inc.	Loan Receivable
18) Over Everything LLC	1) Loan Receivable 2) Common Stock
19) Urogen Pharmaceuticals, Inc.	1) Note Receivable 2) Preferred Stock
20) Xcell Energy Inc.	Loan Receivable
21) Yellow River	Common Stock

Receivership Property List

PPLO Assets

Company Name	Asset Description
1) Alcyone Resources Limited	1) Common Stock 2) Note Receivable
2) Black Elk Energy LLC	Note Receivable
3) China Cablecom Holdings Ltd.	1) Common Stock 2) Preferred Stock
4) Misung Polytech	Loan Receivable
5) Ochre Group Holdings Limited	Common Stock
6) Wexford Petroleum Corporation	Common Stock

Receivership Property List

Jointly Held PPCO / PPLO Assets

Company Name	Asset Description
1) Platinum Partners Value Arbitrage Fund	Loan Receivable