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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH**

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SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

TRAFFIC MONSOON, LLC, a Utah Limited  
Liability Company, and CHARLES DAVID  
SCOVILLE, an individual,

Defendants.

**RECEIVER'S THIRD STATUS REPORT  
REGARDING CLAIMS FILING AND  
OBJECTION PROCESS**

2:16-cv-00832-JNP

The Honorable Jill N. Parrish

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Peggy Hunt, the Court-appointed Receiver (the "Receiver") for Traffic Monsoon, LLC ("Traffic Monsoon"), and all assets of Charles D. Scoville obtained directly or indirectly from Traffic Monsoon, hereby submits this *Third Status Report Regarding Claims Filing and Objection Process*. This Status Report is posted on the receivership website, [www.trafficmonsoonreceivership.com](http://www.trafficmonsoonreceivership.com).

## I. INTRODUCTION

23,221 Proofs of Claim, asserting claims totaling \$100,000,219,640,898, were submitted by those who maintain they have a claim against the Receivership Estate related to their dealings with Traffic Monson. In her initial *Claim Status Report* (the “First Report”),<sup>1</sup> incorporated herein, the Receiver provided a summary of submitted Proofs of Claim. The amount of asserted claims far exceeded the assets of the Receivership Estate and therefore the Receiver determined that it was necessary to object to certain Proofs of Claim. After obtaining approval of procedures related to claim objections, the Receiver commenced the process of serving claim objections. The Receiver filed a *Status Report Regarding Omnibus Objections to Proofs of Claim* (the “Second Report”),<sup>2</sup> also incorporated herein, outlining the results of seven initial omnibus objections and actions she anticipated taking regarding the claims allowance process. Since the Second Report, the Receiver has filed fifteen additional objections. A *Summary of Served Claim Objections* outlining the twenty-two total claim objections that have been served to date is attached as **Exhibit A**.

The claim submission and objection process has been very efficient and produced favorable results for the Receivership Estate as discussed in Part II below. Attached as **Exhibit B** is a *Claim and Distribution Analysis as of April 15, 2022*, summarizing the results of the claim objection process and providing details about allowed and unresolved claims and estimated allowed claim amounts. To date, 18,039 Proofs of Claim are allowed or are anticipated to be

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<sup>1</sup> Docket No. [257](#).

<sup>2</sup> Docket No. [314](#).

allowed in the total amount of \$55,132,872, and only 511 Proofs of Claim asserting claims totaling approximately \$12,923,100 remain unresolved. If allowed as proposed by the Receiver, these disputed claims would amount to additional allowed claims totaling \$549,472.<sup>3</sup> Part III sets forth the Receiver's proposed course of action related to Proofs of Claim that have not been allowed as of this date.

## II. STATUS REPORT

### A. The Approved Claims Submission Process

1. On December 20, 2019, the Court entered an *Order* (the "Claims Process Order")<sup>4</sup> granting the *Receiver's Renewed and Amended Motion Seeking Approval of (1) Claims Process; (2) Setting Claims Bar Date; and (3) Certain Notice Procedures*.<sup>5</sup> The Claims Process Order set 11:59 p.m. (Mountain Time) on April 10, 2020, as the deadline for submitting Proofs of Claim against the Receivership Estate (the "Claims Bar Date").

2. Pursuant to the Claims Process Order, between January and April 2020, the Receiver served notice of the Claims Bar Date and the Claims Process Order on potential Claimants via email, U.S. Mail, newspaper publication, and Facebook advertisements, and began accepting Proofs of Claim through a portal (the "Claims Portal") set up by claims processing agent Epiq Global. Details about these matters are set forth in First Report noted above.

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<sup>3</sup> This number excludes the secured claim filed by PayPal in the amount of \$3,144,021, the resolution of which is being handled by Special Counsel. *See* ¶ 19(v) *infra*.

<sup>4</sup> Docket No. [232](#).

<sup>5</sup> Docket No. [227](#).

3. Each potential Claimant was sent a validation code for use when submitting their Proof of Claim in the Claims Portal. When a Claimant logged into the Claims Portal, they were provided with the amount of their claim based on the Receiver's review of Traffic Monsoon's books and records (the "Scheduled Claim Amount"). The Claimant was then asked whether they agreed with the Scheduled Claim Amount. If the Claimant agreed with the Scheduled Claim Amount, they did not need to take any further action. If the Claimant disagreed with the Scheduled Claim Amount, they were required to provide the amount of their alleged claim, an explanation of the basis for the claim, and documentation to support the claim.

**B. Results of the Approved Claim Submission Process and Need for Objections**

4. Employing the procedures in the Court's Claims Process Order, the Receiver received 23,221 Proofs of Claim as follows:<sup>6</sup>

i. One Proof of Claim was submitted by PayPal, asserting a secured claim in the amount of \$3,144,021 (the "PayPal Claim").

ii. The remaining Proofs of Claim were based on monies allegedly paid to Traffic Monsoon, asserting claims in the total amount of \$100,000,216,496,877 (the "Investor Claims"). The total amount of Investor Claims was skewed significantly by a single Proof of Claim that was submitted in the amount of \$99,999,999,999.99 (the "\$99 Trillion Claim"). Omitting the \$99 Trillion Claim, the total amount of submitted Investor Claims was \$216,496,877.

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<sup>6</sup> See Exh. B); see also Docket No. [314](#) (Second Report), ¶ 4 (outlining categories of Proofs of Claim submitted). Variances in the amount noted above and those in the Second Report reflect additional Proofs of Claim submitted after the Claims Bar Date.

5. Because of the procedures approved by the Court in the Claims Process Order, a total of 14,276 Investor Claims were allowed without the need for objection because the Claimants agreed with the Receiver's Scheduled Claim Amount, submitted Proofs of Claim asserting the Scheduled Claim Amount, or submitted Proofs of Claim asserting an amount less than the Scheduled Claim Amount (the "Agreed Claims"). The total amount of Agreed Claims is \$43,177,843.<sup>7</sup>

6. At the end of the claim submission process, therefore, there were 8,944 Investor Claims asserting claims that were greater than the Receiver's Scheduled Claim Amount, including the disputed \$99 Trillion Claim (the "Disputed Investor Claims"). The total amount of Disputed Investor Claims at the end of the claim submission process was \$173,319,034 plus the \$99 Trillion Claim.<sup>8</sup>

7. As a result of the aggregate sum of the PayPal Claim and the Disputed Investor Claims, the Receiver did not propose a plan of distribution because, among other things, the Receiver must reserve cash for each of these claims in the amount asserted in the event the claims are ultimately allowed as asserted. The amount originally necessary for that reserve far exceeded any potential distribution. Accordingly, the Receiver determined that that she would need to file claim objections and she proposed procedures to the Court related to the objection process.

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<sup>7</sup> See Exh. B (Total Agreed Claims).

<sup>8</sup> See Exh. B.

**C. The Approved Objection Procedures And Objections**

8. On October 30, 2020, the Court entered an *Order*<sup>9</sup> approving the Receiver’s proposed objection procedures (the “Approved Objection Procedures”). As part of these Procedures, the Receiver has authority to “[s]tipulate to the allowance of a Claim without the approval of this Court so long as the Claim, as allowed, does not exceed an amount that is \$10,000.00 greater than the Scheduled [Claim] Amount . . . .”<sup>10</sup>

9. The Receiver and her professionals have been diligently analyzing the thousands of Disputed Investor Claims submitted and, when appropriate, filing objections in accordance with the Approved Objection Procedures. As set forth on **Exhibit A**, a total of 22 objections have been filed to date.

10. In making objections, the Receiver is employing a cost-benefit analysis and making concerted efforts to manage the process in a way that will result in meaningful benefits to the Receivership Estate.

11. Using the Approved Objection Procedures, the Receiver has made significant progress in reducing the total amount of Disputed Investor Claims. A summary of this progress is outlined below and summarized in **Exhibit B** attached hereto.

12. As part of the objection process, the Receiver’s team has fielded over 17,000 questions and issues raised by investors which have been handled primarily at the Receiver’s direction through Epiq Global. A *Summary of Investor Communications* is set forth in **Exhibit C**.

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<sup>9</sup> Docket No. [277](#); see also Docket No. [275](#) (Ex Parte Motion for Approval of Claims Objection Process and Settlement Authority).

<sup>10</sup> See Docket No. [277](#) (Approved Objection Procedures), ¶ 3(b).

To the best of the Receiver's knowledge no communications by investors have gone unanswered. Approximately 20 investors submitted communications related to this case directly to the Court which the Court provided to the Receiver. To the best of the Receiver's knowledge all such communications were followed up on by Epiq Global at the Receiver's direction.

**D. Current Status of Submitted Claims**

13. The status of the 23,221 Proofs of Claim submitted is summarized as follows:

i. As discussed above, based on the procedures approved in the Claim Process Order, 14,276 Agreed Claims in the total amount of \$43,177,843 were allowed through the claim submission process with no further action required by the Receiver or the Court.<sup>11</sup>

ii. Through the 22 objections to Disputed Investor Claims served pursuant to the Approved Objection Procedures,<sup>12</sup> the Receiver has objected to the \$99 Trillion Claim and over 7,700 Disputed Investor Claims, producing the following results:<sup>13</sup>

a. 4,671 Disputed Investor Claims asserting claims in the total amount of \$100,000,123,511,256 (\$123,511,256 without the \$99 Trillion Claim) were disallowed in their entirety, resulting in almost a 70% reduction of asserted Disputed Investor Claims.

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<sup>11</sup> See Exh. B.

<sup>12</sup> See Exh. A.

<sup>13</sup> See Exh. B. These results assume that objections to Disputed Investor Claims served in November and December 2021 are treated as requested by the Receiver. See Exhs. A & B. At the time of the filing of this Status Report the time to respond to the referenced objections outlined in Exh. A had expired and the Receiver is filing papers in accordance with the Approved Objection Procedures.

b. 2,379 Disputed Investor Claims originally asserting claims in the total amount of \$35,811,843 have now been reduced to \$7,738,173 (*i.e.*, the total of each respective Scheduled Claim Amount) as part of the objection process.

Thus, claims in this category were reduced by \$28,073,670.

iii. A total of 21,326 Investor Claims, therefore, have been allowed or disallowed through the claim submission process or the Approved Objection Procedures.

iv. At this time, there are 16,655 allowed Investor Claims in the total amount of **\$50,916,016** - this being the sum of the 14,276 Agreed Claims and the 2,379 Investor Claims allowed after objection.

v. Only 1,895 Proofs of Claim asserting claims in the total amount of \$17,139,956, which include the PayPal Claim and remaining Disputed Investor Claims, are unresolved as of this date. As discussed in further detail below, with respect to these Proofs of Claim, the Receiver submits that:

a. 1,384 should be allowed in the amount asserted in the Proof of Claim through settlement, resulting in additional allowed Investor Claims in the amount of \$4,216,856,<sup>14</sup> and

b. 511 asserting claims in the total amount of \$12,923,100 are “Unresolved Claims” because they require additional work as discussed below.

**E. Current Estimated Totals**

14. Based on the Investor Claims allowed to date as set forth in subparagraph (iv) above and the Investor Claims that the Receiver anticipates being allowed by settlement set forth in subparagraph (v)(a) above, the total allowed Investor Claims at this time is \$55,132,872.<sup>15</sup>

15. Were the Receiver to make a distribution today, she would be required to reserve at least \$12,923,100 on account of the Unresolved Claims.

16. Not including the PayPal Claim, if the Unresolved Claims were all resolved in the Receiver’s favor, the total amount of allowed Investor Claims would total \$55,682,344.<sup>16</sup>

**III. PROPOSED COURSE OF ACTION RELATED TO DISPUTED INVESTOR CLAIMS**

17. Of the 1,895 Proofs of Claim left to be resolved, the Receiver submits that 1,384 should be allowed Investor Claims by settlement, and 511 are unresolved claims that require additional work.<sup>17</sup>

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<sup>14</sup> See Exh. B.

<sup>15</sup> See Exh. B.

<sup>16</sup> See Exh. B.

<sup>17</sup> See Exh. B.

**A. Claims Proposed to Be Allowed by Settlement**

18. The Receiver submits that three categories of Disputed Investor Claims should be allowed by settlement, resulting in 1,384 additional allowed Investor Claims totaling **\$4,216,856**, as follows:

i. Small Variance Claims – No Objection. A total of 1,176 Disputed Investor Claims, asserting claims in the total amount of \$2,556,837, have been facially evaluated by the Receiver. These Small Variance Claims assert claims that are greater than the Receiver's Scheduled Claim Amount of \$2,116,519, but the variance between the Scheduled Claim Amount of each of these Claims and amount asserted is less than \$10,000. Objections to these Small Variance Claims have not been made because each of the Proofs of Claim require additional accounting analysis to determine if an objection is warranted. The Receiver does not anticipate objecting to these claims because the expense of doing so likely would outweigh any material benefit to the Receivership Estate. Rather, pursuant to her settlement authority under the Approved Objection Procedures,<sup>18</sup> the Receiver has deemed these Small Variance Claims allowable in the amount asserted - \$2,556,837. The total amount being compromised is \$440,318.<sup>19</sup>

ii. Small Variance Claims – Objection Served. The Receiver objected to a total of 3,427 Disputed Investor Claims which asserted claims that were more than the Receiver's Scheduled Claim Amount, but the variance between the Scheduled Claim

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<sup>18</sup> See *supra* ¶ 8.

<sup>19</sup> See Exh. B.

Amount and amount asserted is less than \$10,000. Unlike the Small Variance Claims discussed above, objections were served to these claims because each of the Proofs of Claim submitted was deficient on its face and did not require accounting services to determine the basis for an objection.<sup>20</sup> Through the Approved Objection Procedures, 3,152 of these Small Variance Claims were either disallowed or allowed in the Scheduled Claim Amount. However, objections to 275 of these Small Variance Claims were not resolved because responses were submitted. Ninety-seven of the 275 Small Variance Claims require further work by the Receiver and are discussed below. But, for the remaining 178, the Receiver has determined that she will exercise her settlement authority and deem such Claims allowed in the amount asserted - \$539,156 - because the variance between the asserted amount and the Scheduled Claim Amount of each claim is less than \$5,000. The total amount in dispute related to these 178 Claims, and thus the amount being compromised, is \$299,284.<sup>21</sup>

iii. Italian Investor Claims. A total of 30 Proofs of Claim asserting claims totaling \$1,120,863, were submitted by persons residing in Italy who gave money to an individual named Fabiano Santos a/k/a Maurizio Longo, or his company Advertising Corp. (collectively, "Santos"). Santos is the subject of criminal proceedings in Italy. There are no records held by the Receiver evidencing that these Claimants provided money to Traffic Monsoon, but through investigation the Receiver has determined that

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<sup>20</sup> See Exh. A.

<sup>21</sup> See Exh. B.

Santos paid Traffic Monsoon monies obtained from these Claimants.<sup>22</sup> The Receiver anticipates resolving issues related to the allowance of these Proofs of Claim by settlement which will be submitted to the Court for approval. Through settlement, it is anticipated that claims in the amount of \$1,120,863 will be allowed.<sup>23</sup>

**B. Unresolved Claims**

19. Five categories of Unresolved Claims, involving 511 Proofs of Claim asserting claims totaling approximately \$12,923,100, must still be resolved. The Receiver's proposed course of action related to each is as follows:

i. Duplicate Claims. There are 138 Disputed Investor Claims that are duplicates or amendments of other allowable Proofs of Claim, with a total amount in dispute of approximately \$1.1 million.<sup>24</sup> The Receiver objected to these Disputed Investor Claims,<sup>25</sup> but responses to the objections were submitted precluding resolution through the Approved Objection Procedures. These responses must be addressed to avoid duplicate distributions. The Receiver believes that the most efficient course of action regarding these Duplicate Claims is to seek a ruling from the Court pursuant to procedures that the Receiver will ask the Court to approve.

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<sup>22</sup> Santos submitted several Proofs of Claim. The Receiver objected to these Proofs of Claim and all have been disallowed pursuant to the Approved Objection Procedures. *See* Exh. A.

<sup>23</sup> *See* Exh. B.

<sup>24</sup> *See* Exh. B.

<sup>25</sup> *See* Exh. A.

ii. Late Claims. There are 216 Proofs of Claim that are Disputed Investor Claims because they were submitted after the Claims Bar Date, with a total amount in dispute of approximately \$1.4 million.<sup>26</sup> The Receiver objected to these Disputed Investor Claims,<sup>27</sup> but responses to the objections were submitted precluding resolution through the Approved Objection Procedures. These responses must be addressed because the Proofs of Claim were submitted late and, for numerous reasons, late claims should be disallowed.<sup>28</sup> The Receiver believes that the most efficient course of action regarding these Late Claims is to seek a ruling from the Court pursuant to procedures that the Receiver will ask the Court to approve.

iii. Large Variance Claims. There are 59 Disputed Investor Claims asserting a claim that is \$10,000 or more than the Receiver's Scheduled Claim Amount. The total amount in dispute related to this category is approximately \$6.9 million.<sup>29</sup> Objections

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<sup>26</sup> See Exh. B.

<sup>27</sup> See Exh. A.

<sup>28</sup> In the Claims Process Order the Court has previously ordered that “[t]he holders of any claims not submitted by the [Claims] Bar Date are barred from asserting such claims against the Receivership Estate and/or receiving distributions from the Receivership Estate on account of such claims.” Docket No. [232](#), ¶ 4. Thereafter, in ruling on the Receiver's objections to late-filed claims to which no responses were submitted, the Court provisionally disallowed the late-filed claims and retained “discretion to reevaluate the status of these Proofs of Claim depending on amount available for distribution to defrauded investors.” Docket No. 367.

<sup>29</sup> See Exh. B. The amount in dispute stated here is conservative because 6 of these Large Variance Claims do not assert a claim amount. In response to the Receiver's objection, the Claimants did not state the amount of the claim they were asserting, but allegations in the response and/or documentation submitted with the response indicate that the Claimants are each asserting claims that are \$10,000 greater than the Receiver's Scheduled Claim Amount. Thus, the exact amount in dispute cannot be calculated at this time.

were made to these Disputed Investor Claims which were responded to by the respective Claimants.<sup>30</sup> The Receiver cannot stipulate to allowance of any of these Disputed Investor Claims because the variance between the asserted claim and the Scheduled Claim Amount is more than \$10,000.<sup>31</sup> In accordance with the Approved Objection Procedures, the Receiver is currently attempting to work out disputes with holders of these Large Variance Claims. The Receiver anticipates seeking a ruling from the Court on any Large Variance Claims that cannot be resolved, pursuant to procedures that the Receiver will ask the Court to approve.

iv. Small Variance Claims – Objection Served. As discussed in ¶ 18(ii) above, objections were served on the holders of 3,427 facially deficient Disputed Investor Claims asserting claims that were more than the Receiver’s Scheduled Claim Amount, but with a variance less than \$10,000 from the Scheduled Claim Amount. While 3,152 of these Small Variance Claims were either disallowed or allowed in the Scheduled Claim Amount under the Approved Objection Procedures, 275 of these Small Variance Claims were not resolved because responses to the Receiver’s objections were submitted. 178 of these disputed Small Variance Claims are being resolved through settlement as discussed above. Ninety-seven, however, require further work as follows:

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<sup>30</sup> See Exh. A.

<sup>31</sup> See *supra* at ¶ 8.

a. Variance Greater than \$5,000. In accordance with the Approved Objection Procedures, the Receiver is currently attempting to work out disputes with the holders of 53 Small Variance Claims who have asserted claims that are between \$5,000 and \$10,000 more than the Receiver's Scheduled Claim Amount. The total amount in dispute in this category is \$334,596.<sup>32</sup>

b. No Amount Asserted. There are 44 Disputed Investor Claims that appear to be Small Variance Claims, but the Proofs of Claim in question did not assert any claim amount. Allegations in responses to objections and/or documentation submitted with responses suggest that each of these Claimants does not agree with the Receiver's Scheduled Claim Amount but is asserting a claim \$5,000 over that amount. The Receiver will attempt to discern the amount of each of these Small Variance Claims and work out a resolution of any disputes, whether by exercising settlement authority or bringing unresolved disputes to the Court for resolution.

v. PayPal Claim. The PayPal Claim has neither been allowed nor disallowed, but remains subject to resolution by Special Counsel, Ray Quinney & Nebeker, P.C. Special counsel has entered an appearance in this case.

### **C. Unresolved Claims Procedures**

20. As discussed above, there are certain Unresolved Claims that will require a ruling from the Court. At this time, the Receiver knows that there are at least 354 Unresolved Claims in

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<sup>32</sup> See Exh. B.

this category (i.e., the Duplicate and Late-Filed Claims), and there may be additional Unresolved Claims that may not be resolved through settlement.

21. The Receiver intends to file a motion to establish procedures for affording those holders of Unresolved Claims notice and opportunity for remote hearing that will consider, among other things, the Court's resources and the Claimants' potential language and location challenges.

22. The Receiver is hopeful that the Court will afford her a status conference to discuss issues related to the intended motion.

#### **IV. CONCLUSION**

The claims process approved by the Court has been very successful. As a result of the procedures employed, the Receiver has reduced Disputed Investor Claims by over \$151 million (excluding the \$99 Trillion Claim). Currently there are only 511 claims totaling \$ approximately \$12,923,000 that need to be resolved. For those Disputed Investor Claims that require a ruling from the Court, the Receiver intends to seek approval from the Court of procedures for addressing those matters. Now that Disputed Investor Claims have been significantly reduced, the Receiver also intends to work on a plan of distribution.

DATED this 15th day of April, 2022.

**GREENBERG TRAURIG, LLP**

*/s/ Peggy Hunt*

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Peggy Hunt

Michael F. Thomson

Anikka T. Hoidal

*Attorneys for Receiver*

**CERTIFICATE OF SERVICE**

I hereby certify that on April 15, 2022, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of the filing to all counsel of record in this case.

*/s/ Anikka T. Hoidal*

## EXHIBIT A

### *Summary of Served Claim Objections*<sup>1</sup>

1. January 2021 – Seven Omnibus Objections. On or about January 8, 2021, the Receiver served 7 omnibus objections objecting to a total of 6,065 Disputed Investor Claims asserting almost \$94 million in claims.<sup>2</sup> A summary of the objections and responses submitted is set forth in the Second Report.<sup>3</sup> These omnibus objections in conjunction with the Approved Objection Procedures proved to be very cost-effective because many Claimants either did not respond to the objections or agreed with the objections and accepted that their claims should be allowed in a reduced amount.<sup>4</sup> As a result of these objections:

- 12,653 Claimants agreed with the Receiver’s Scheduled Claim Amount resulting in Agreed Claims totaling \$37,297,195;
- 5,596 Disputed Investor Claims asserting over \$90.6 million in claims were reduced to allowed claims in the total amount of \$3,038,419.33;<sup>5</sup> and
- Responses involving only 462 Proofs of Claim were submitted. These claims are part of the Unresolved Claims.

2. May 2021 – Two Omnibus Objections. On or about May 3, 2021, the Receiver served two additional omnibus objections, objecting to a total of 71 Disputed Investor Claims asserting

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<sup>1</sup> Unless otherwise stated, capitalized words and phrases have the meanings attributed to them in the Status Report.

<sup>2</sup> See Docket Nos. [288-294](#) (*Objections*); [299-305](#) (*Affidavits of Service*).

<sup>3</sup> Docket No. [314](#), ¶¶ 5-11 (outlining objections and responses submitted).

<sup>4</sup> Certain claimants were served upon their email address associated with their Traffic Monsoon account rather than the email address provided in the proofs of claim submitted by those claimants. Recognizing that these claimants may have no longer been using the email address associated with their account with Traffic Monsoon and, therefore, may have not been notified about objections to their claim(s), the Receiver caused the objections to be re-served to 754 claimants who may have been affected.

<sup>5</sup> See Docket Nos. [317](#) (*Notice of (I) Disallowance of Certain Proofs of Claim in Their Entirety and (II) Allowance of Certain Proofs of Claim in a Modified Amount*); [320](#) (*Verified Motion Requesting Order (I) Disallowing Certain Proofs of Claim in Their Entirety and (II) Allowing Certain Proofs of Claim in Modified Amount (No Response Claims)*); [367](#) (*Order on Verified Motion*).

approximately \$36 million in claims plus the \$99 Trillion Claim.<sup>6</sup> Again, these omnibus objections proved to be very cost-effective. As a result of these objections:

- 64 Disputed Investor Claims asserting over \$35 million in claims were reduced to allowed claims in the total amount of \$142,771;<sup>7</sup>
- The \$99 Trillion Claim was disallowed in its entirety; and
- Responses involving only 7 Disputed Investor Claims were submitted. These claims are part of the Unresolved Claims.

3. May 2021 – Eight Targeted Objections. On May 18 and 26, 2021, the Receiver served targeted objections related to 8 of the larger Disputed Investor Claims asserting approximately \$26 million in claims.<sup>8</sup>

- 7 holders of Disputed Investor Claims did not respond and their Disputed Investor Claims were disallowed in their entirety, resulting in a reduction of claims totaling \$21,902,481;<sup>9</sup> and
- 1 response was submitted and is an Unresolved Claim.

4. November 2021 – Three Targeted Objections. On November 1, 2021, the Receiver served 3 additional targeted objections, objecting to 21 larger Disputed Investor Claims asserting a total of \$2,207,735 in claims.<sup>10</sup>

- 18 holders of Disputed Investor Claims did not respond, for which the Receiver filed a *Fifth Verified Motion Requesting Order (I) Disallowing Certain Proofs of*

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<sup>6</sup> See Docket Nos. [328](#) and [329](#) (*Objections*); [338-339](#) (*Affidavits of Service*).

<sup>7</sup> See Docket Nos. [329](#) (*Second Verified Motion Requesting Order (I) Disallowing Certain Proofs of Claim in Their Entirety and (II) Allowing Certain Proofs of Claim in Modified Amount (No Response Claims)*); [387](#) (*Order on Second Verified Motion*).

<sup>8</sup> See Docket Nos. [332](#) and [333](#) (*Objections*); [343-350](#) (*Affidavits of Service*).

<sup>9</sup> See Docket Nos. [373](#) (*Third Verified Motion Requesting Order (I) Disallowing Certain Proofs of Claim in Their Entirety and (II) Allowing Certain Proofs of Claim in Modified Amount (No Response Claims)*); [376](#) (*Fourth Verified Motion Requesting Order Disallowing Proof of Claim No. 51348 in its Entirety (No Response Claim)*); [386, 389](#) (*Orders on Third and Fourth Verified Motions*).

<sup>10</sup> See Docket Nos. [392](#) (*Notice of Objections to Proofs of Claim*); [398-418](#) (*Affidavits of Service*).

*Claim in their Entirety and (II) Allowing Certain Proofs of Claim in a Modified Amount (No Response Claims).*<sup>11</sup>

- 3 responses were submitted. These claims are part of the Unresolved Claims

5. December 2021 – Two Omnibus Objections. On December 13, 2021, the Receiver served 2 omnibus objections, objecting to 1,580 Disputed Investor Claims asserting claims in the total amount of \$11,927,860.<sup>12</sup>

- 1,410 holders of Disputed Investor Claims did not respond, for which the Receiver filed a *Sixth Verified Motion Requesting Order (I) Disallowing Certain Proofs of Claim in their Entirety and (II) Allowing Certain Proofs of Claim in a Modified Amount (No Response Claims).*<sup>13</sup>
- 170 responses were submitted. These claims are part of the Unresolved Claims.

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<sup>11</sup> See Docket No. [458](#).

<sup>12</sup> See Docket Nos. [420](#), [421](#) (*Objections*); [398-418](#) (*Affidavits of Service*).

<sup>13</sup> See Docket No. [468](#).

**EXHIBIT B**

*Claims and Distribution Analysis as of April 15, 2022*

**EXHIBIT B****CLAIM ANALYSIS AS OF APRIL 15, 2022**

<b>ALLOWED CLAIMS</b>	<b>Proofs of Claim</b>	<b>Scheduled Claim Amount</b>	<b>Asserted Claim Amount</b>	<b>Amount Disallowed</b>	<b>Total Allowed Claims/Value Allowed For Distribution</b>
<b>TOTAL AGREED CLAIMS</b>	14,276		43,177,843	N/A	43,177,843
<b>TOTAL CLAIMS ALLOWED AFTER OBJECTION</b>	2,379	7,738,173	35,811,843	28,073,670	7,738,173
<b>TOTAL AFTER SUBMISSION/OBJECTION</b>	16,655				50,916,016
<b>CLAIMS ALLOWED - SETTLEMENT AUTHORITY</b>					
Small Variance Claims - No Objection Served (Variance < \$10,000)	1,176	2,116,519	2,556,837	N/A	2,556,837
Small Variance Claims - Objection Served (Variance > \$5,000 and < \$10,000)	178	239,872	539,156	N/A	539,156
<b>TOTAL CLAIMS SETTLED</b>	1,354				3,095,993
<b>ANTICIPATED ALLOWED - ITALIAN INVESTORS SETTLEMENT</b>	30	N/A	1,120,863	N/A	1,120,863
<b>TOTAL ALLOWED CLAIMS</b>	<b>18,039</b>				<b>55,132,872</b>
<b>DISALLOWED CLAIMS</b>					
	<b>Proofs of Claim</b>	<b>Scheduled Claim Amount</b>	<b>Asserted Claim Amount</b>	<b>Amount Disallowed</b>	<b>Total Allowed Claims/Value for Distribution</b>
<b>DISALLOWED INVESTOR CLAIMS</b>	4,670	0	123,511,256	123,551,256	0
<b>\$99 TRILLION CLAIM</b>	1	0	99,999,999,999,999	99,999,999,999,999	0
<b>TOTAL DISALLOWED CLAIMS</b>	<b>4,671</b>			<b>100,000,123,511,256</b>	<b>0</b>
<b>TOTAL RESOLVED CLAIMS</b>					
	<b>Proofs of Claim</b>				<b>55,132,872</b>
	<b>22,710</b>				
<b>UNRESOLVED CLAIMS</b>					
	<b>Proofs of Claim</b>	<b>Scheduled Claim Amount</b>	<b>Asserted Claim Amount</b>	<b>Amount In Dispute</b>	<b>Total Allowed Amount Asserted By Receiver/Potential Distribution</b>
Duplicate Claims	138	0	1,105,823	1,105,823	0
Late Claims	216	N/A	1,411,569	1,411,569	0
Large Variance Claims (Variance > \$10,000)	59	413,416	6,859,332	6,445,916	413,416
Small Variance Claims - Objection Served (Variance >\$5,000 and < \$10,000)	53	67,759	402,355	334,596	67,759
Small Variance Claims - No Amount Asserted	44	68,297	Unknown	Unknown	68,297
PayPal Claim	1	N/A	3,144,021	Unknown	Unknown
<b>TOTAL UNRESOLVED CLAIMS</b>	<b>511</b>	<b>549,472</b>	<b>12,923,100</b>	<b>9,297,904</b>	<b>549,472</b>
<b>TOTAL ESTIMATED ALLOWED CLAIMS (*)</b>					<b>55,682,344</b>

\* This Total Estimated Allowed Claims amount does not include the PayPal Claim and assumes the Receiver will prevail on all of her objections to the unresolved, Disputed Investor Claims. Therefore, this amount will likely be higher but it represents the best estimate for allowed claims at this point in time.

**EXHIBIT C***Summary of Investor Communications*

<b>Issue</b>	<b>Email Counts</b>	<b>Call Center Counts</b>	<b>Total Counts</b>	<b>Procedures Employed at the Direction of the Receiver</b>
General questions on submitting Proofs of Claim	2,603	691	3,294	Prior to the Claims Bar Date, Epiq provided guidance on how to submit Proofs of Claim and use the electronic Claims Portal. After the Claims Bar Date, Epiq representatives provide investors with information regarding the Claims Bar Date and instructions related to submitting Proofs of Claim.
Submission of supporting documentation	1,738	2	1,740	Certain Claimants were unable to submit supporting documentation through the Claims Portal during Claims submission process. Epiq communicated with each Claimant and received the submissions, matched them to a Proof of Claim and stored the supporting documentation.
Confirming receipt of Proofs of Claim or response to objection	980	14	994	Claimants often contacted the Receiver through Epiq to confirm receipt of a Proof of Claim or objection response. Epic researched the Claimant's status and provided relevant information.
Access to Receivership Website, Claims Submission Portal and/or Objection Response Portal	3,188	84	3,272	Certain Claimants had issues related to accessing the Receivership Website, Claims Submission Portal and/or the Objection Response Portal. Epiq communicated with each Claimant, researched and remedied issues, and provided guidance on access as necessary.
Change of address	265	17	282	Claimants contacted the Receiver through Epiq to update contact their information, and Epiq updated the claims register with the updated information.
Requests to submit Proofs of Claim after the Claims Bar Date	293	20	313	Claimants contacted the Receiver through Epiq to submit Proofs of Claim after the expiration of the Claims Bar Date. Epiq researched the Claimants' Proof of Claim status and provided information regarding the approved Claim Submission Procedures and the Claims Bar Date.

Case status related to issues such as the claims and distribution process	6,637	789	7,426	Claimants contacted the Receiver through Epiq inquiring about the status of the case. Epiq researched the Claimant's claim status and provided relevant information related to the status of the case.
Objections to Proofs of Claim	2,186	99	2,285	Claimants contacted the Receiver through Epiq regarding objections to their Proofs of Claim. Epiq researched the Proofs of Claim and objections, and provided relevant information to the Claimants, including guidance on how to use the Objection Response Portal.
<b>Totals</b>	17,890	1,716	19,606	