

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

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SECURITIES AND EXCHANGE COMMISSION, :	:
Plaintiff, :	:
-v- :	No. 1:22-cv-03897-LAK
STRAIGHTPATH VENTURE PARTNERS LLC, :	:
STRAIGHTPATH MANAGEMENT LLC, :	:
BRIAN K. MARTINSEN, :	:
MICHAEL A. CASTILLERO, :	:
FRANCINE A. LANAIA, and :	:
ERIC D. LACHOW, :	:
Defendants. :	:
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SUMMARY OF RECEIVER'S PLAN OF DISTRIBUTION

Dated: April 9, 2024

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New York, NY 10169
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Attorneys for Melanie L. Cyganowski, as Receiver

In accordance with the Receivership Order,¹ Melanie L. Cyganowski, the Receiver in this case, has filed a proposed plan for the distribution of the Receivership Property to StraightPath's Investors and Claimants (the "Plan"). For the convenience of all parties-in-interest, the Receiver is providing this summary of certain aspects of the Plan. The summary does not discuss all provisions of the Plan and is provided solely to facilitate a general understanding of the Plan. Nothing in this summary is intended to modify any of the terms of the Plan. **The Receiver strongly recommends that Investors and Claimants read the Plan in its entirety.**

I. PRELIMINARY STATEMENT

The Receiver's Plan equitably distributes the Receivership Property in a manner that maximizes recovery for the greatest number of parties-in-interest. A primary factor in achieving this goal is the Plan's treatment of Cash realized on account of a Liquidity Event. Depending on the amount recovered, under the Plan the realized Cash will be divided into two parts to be shared as follows:

- First, those Investors (each a "Silo Investor") whose Welcome Letters stated that their investment was "applied to" the Pre-IPO Shares² that are the subject of the Liquidity Event will share on a *pro rata* basis in the amount realized from a Liquidity Event up to StraightPath's cost to acquire those

¹ Capitalized terms used but not previously defined shall have the definition ascribed in Section 1.2 of this Plan.

² Although this Summary generally refers to "Pre-IPO Shares" in Pre-IPO Companies, StraightPath's interests in Pre-IPO Companies are not necessarily actual shares of stock. As the Receiver has previously described in reports filed with the Court, StraightPath purchased Pre-IPO interests using several methods, both direct and indirect, and the interests acquired are varied, including but not limited to: (i) interests in special purpose vehicles, which are non-StraightPath entities controlled by third-parties that invested in Pre-IPO Companies; (ii) forward contracts; (iii) economic interest agreements; and (iv) direct shares. The reference to "Pre-IPO Shares" is intended to include all such interests acquired by StraightPath.

Pre-IPO Shares (the “Silo Shares”), less deductions for certain Receivership costs. This is referred to as the “Silo Share Amount.”³

- Second, *all* Investors will share on a pro rata basis in any Cash realized that is *in excess of* StraightPath’s cost for the Silo Shares irrespective of the Pre-IPO Shares mentioned in their Welcome Letters, again less deductions for certain Receivership costs.⁴ This is referred to as the “Pot Amount.”

In other words, under the Receiver’s Plan, when the Cash realized as a result of a Liquidity Event is greater than StraightPath’s cost for the Silo Shares, *all Investors* (and Claimants)⁵ will share in the recovery, but this occurs only after the Silo Investors first receive a Distribution in the amount equal, in the aggregate, to the cost of acquisition. (A series of hypotheticals later in this Summary provides further details.)

The Receiver believes that this structure strikes a reasonable balance between the sometimes-competing interests of the Investor body. For example, certain parties might seek Distribution to only the Silo Investors from the proceeds of a Liquidity Event because, allegedly, such would provide those Investors with the “benefit of their bargain.” However, and in fact, StraightPath’s extensive commingling of Investor capital contributions generally prevents the tracing of Cash to specific investments and often resulted in the use of Investor funds for investments in Pre-IPO Companies (and for other purposes) different than StraightPath advised

³ By order dated March 13, 2024 (ECF No. 297), the Court granted the Receiver’s motion to authorize, but not require, the Receiver to acquire Pre-IPO Shares in the Shortfall Companies up to the number of Pre-IPO Shares required to cover the Shortfall in each such Pre-IPO Company. The Receiver is conducting necessary due diligence to determine which, if any, such Pre-IPO Shares she will seek to acquire. If the Receiver acquires any such Pre-IPO Shares, the cost of such acquisition will be included in the calculation of the Silo Share Amount for that Shortfall Company.

⁴ As noted in footnote 3, if the Receiver acquires any Shortfall Shares, the cost of such acquisition will be included in the calculation of the Silo Share Amount for that Shortfall Company.

⁵ Of course, only Investors and Creditors holding Allowed Interests and Allowed Claims will recover following a Liquidity Event.

the Investors in the Welcome Letters.⁶ Accordingly, while the Plan provides the Silo Investors with an additional benefit, it also allows all Investors the opportunity to share in the recovery from a Liquidity Event irrespective of the Pre-IPO Shares identified in their Welcome Letters. The structure equitably harmonizes the interests of all Investors (and Claimants).

All Distributions under the Plan will be in Cash. The Receiver does not intend to distribute shares—whether Pre-IPO Shares or Public Shares—to any Investor or Claimant.⁷ Moreover, there are costs attendant to the Receivership that must be paid including brokerage fees, potential tax liability and other costs. Accordingly, a Reserve Amount will be deducted by the Receiver from the Cash realized (referred to in the Plan as “Realized Cash”) and all Distributions will also be net of Liquidation Costs (*e.g.*, brokerage fees).

To assist all parties in interest, set forth below is a description of the “waterfall” of payments to briefly summarize how the Receiver will take Reserves and make Distributions.⁸ See Section II.A below.

II. GENERAL OVERVIEW

When StraightPath purchased Pre-IPO Shares in Pre-IPO Companies, it acquired the Pre-IPO Shares at prices that were less (often substantially less) than the amounts StraightPath charged for those same Pre-IPO Shares. This difference in StraightPath’s pricing is the “mark-up” that

⁶ Moreover, Investors only invested in specific SP Funds and not in specific Pre-IPO Companies. Nothing in this Summary is intended to modify the Receiver’s rights or those of any party-in-interest.

⁷ However, at the conclusion of the Receivership, the Receiver may seek Court authority to make one or more distributions in manner or form different than that otherwise described in the Plan.

⁸ Under the Plan, the Receiver is only permitted to pay fees and expenses that the Receiver and her Retained Professionals have accrued if the Court expressly approves the payment. Moreover, although the Reserve includes an amount for the payment of the fees and expenses of the Receiver and her Retained Professionals, that amount is capped.

StraightPath charged. The Distributions under the Plan from a Liquidity Event are based upon this difference in pricing.

The Silo Component: If a Liquidity Event occurs for a Pre-IPO Company, the Silo Investors will share among themselves, on a *pro rata* basis, the “Silo Share Amount”—this is the Realized Cash up to the amount of StraightPath’s cost to acquire the Silo Share Amount, less a deduction for a portion of the Reserve Amount (which is described further below). As an example, if StraightPath paid \$100,000 for the Silo Shares in Company X, then upon a Liquidity Event of Company X, the Silo Investors will receive a *pro rata* share of the Silo Share Amount, which in this example is the first \$100,000 realized, less a portion deducted for the Reserve Amount.

Only the Silo Investors will receive any Distribution on account of the Silo Share Amount. In other words, when a Pre-IPO Company has a Liquidity Event, the Silo Share Amount will be shared among only the Silo Investors for that Pre-IPO Company. Investors whose invested funds were identified by StraightPath as “applied to” other Pre-IPO Companies *will not* share in that Silo Share Amount. They may, however, share in any Pot Amount for that Liquidity Event, as described further below.

If there is a Shortfall for a Pre-IPO Company, that will necessarily reduce the Silo Share Amount for that Pre-IPO Company. Alternatively, there could be Surplus Shares for a Pre-IPO Company—that is, Pre-IPO Shares in excess of the aggregate number of Silo Shares. Surplus Shares are not included in the Silo Share Amount. Instead, as described below, any recovery on account of Surplus Shares will be shared among all Investors (and Claimants) through the Pot Component.

The Pot Component: As discussed above, the amount of Realized Cash in excess of the Silo Share Amount is referred to as the “Pot Amount.” In accordance with terms of the Plan, *all*

Investors (including Silo Investors) and all Claimants will be entitled to share any Pot Amount on a *pro rata* basis, less a portion of the Reserve Amount. For example, if the Liquidity Event of Company X resulted in Realized Cash of \$200,000, the Silo Investors will share among themselves, on a *pro rata* basis, the first \$100,000 (StraightPath's acquisition cost for the relevant Pre-IPO Shares), and the remaining balance of \$100,000 is the Pot Amount, to be shared on a *pro rata* basis by each Investor (and each Claimant). In this way, if the Realized Cash is sufficient, all Investors will share in the recovery from a Liquidity Event.

Moreover, Cash from the Escrow Funds and from Other Recoveries (*e.g.*, litigation claims held by the Receivership Estate) will also be distributed to all Investors (and Claimants) through the Pot Component. No funds from those two sources are to be added to the Silo Component, and instead will benefit *all* Investors (and Claimants) through the Pot Component.

III. CALCULATION OF DISTRIBUTIONS TO INVESTORS UNDER THE PLAN

A. Calculation of the Reserve

Recoveries by the Receivership Estate may be subject to potential tax liability that under law (and the Plan) must be paid on an actual or estimated basis. Additionally, amounts must be reserved for Disputed Claims and Disputed Interests until such time as they are allowed or disallowed. Similarly, the costs of the Receivership must be paid as may be permitted by Court order. So that the Receivership Estate has sufficient funds available to pay these amounts, the Plan deducts the funds required for these purposes from the proceeds of each Liquidity Event and Other Recovery (and to a limited extent, from any Escrow Funds that are available for Distribution). These funds are held in the Reserve and are referred to as the "Reserve Amount".

Specifically, the Reserve Amount is comprised of the following two (2) components:

1. “Tax Reserve Amount.” The Tax Reserve Amount is the amount from any Realized Cash that will be set aside to satisfy, in the Receiver’s discretion, the maximum potential tax liability associated with a Liquidity Event or Other Recovery. The Receivership Estate is treated for federal tax purposes as a “Qualified Settlement Fund” (a “QSF”). Potential tax liability for a QSF is substantial. Together with potential state tax, tax liability for the Receivership Estate can be as much as approximately 45% of any gain realized (*i.e.*, the amount realized by the Receivership Estate that is in excess of the deemed value of the asset on the Receivership Date).

2. “Non-Tax Reserve Amount.” The Non-Tax Reserve Amount is equal to 25% of the Realized Cash remaining after the Tax Reserve Amount has been deducted. The Non-Tax Reserve Amount will be set aside for eventual satisfaction of Disputed Claims and Disputed Interests, and for costs associated with administering the Receivership Estate and carrying out the terms of the Plan.⁹

B. Calculating Distributions After Deduction of the Reserve

For fairness, the Reserve Amount will be shared between the Silo Component and Pot Component.

For example, assume that \$100,000 is realized from a Liquidity Event, that the Silo Share Amount is \$60,000 and accordingly, that the Pot Amount is \$40,000. Under these facts, the Silo Component represents 60% of the recovery and the Pot Component represents 40%. Assume that the Reserve Amount is \$40,000, comprised of a Tax Reserve Amount of \$15,000 and a Non-Tax

⁹ A portion of the Escrow Funds may also be allocated to the Tax Reserve Sub-Fund or the Disputed Interest/Claim Reserve Sub-Fund. No amount of the Escrow Funds will be allocated to the Administrative Reserve Sub-Fund or otherwise used to pay any of the fees or expenses of the Receiver or the Retained Professionals or any other Administrative Claims or Third-Party Administrative Claims. Moreover, the Plan otherwise caps the share of the Non-Tax Reserve Amount that is reserved for the payment of these administrative expenses, which include the fees and expenses of the Receiver and the Retained Professionals. That cap is 30% of the Non-Tax Reserve Amount.

Reserve Amount of \$25,000. Those amounts must be deducted from the \$100,000 to determine the amount of Cash available for Distribution. The Tax Reserve Amount is deducted first, leaving a balance of \$85,000, and after the Non-Tax Reserve Amount is deducted from that amount, the Cash available for the Distribution is set at \$60,000 (\$85,000 less \$25,000). As noted above, the Silo Component represents 60% of the recovery and the Pot Component represents 40%. Application of those percentages to the \$60,000 available for Distribution after deduction of the Reserve Amount means that the Silo Investors will each share *pro rata* share in \$36,000 (\$60,000 x 60%) and all Investors and Claimants will share *pro rata* in \$24,000 (\$60,000 x 40%).

C. Calculation of Investor Interests

Distributions to Investors will be based upon the net amount that the Investor contributed to StraightPath (generally, an “Allowed Interest”).¹⁰ So, for example, if an Investor invested funds that StraightPath’s Welcome Letters advised were “applied to” two (2) Pre-IPO Companies, that Investor would have two Allowed Interests.¹¹ In turn, if either or both of those Pre-IPO Companies has an IPO (or other Liquidity Event) after the Receivership Date, the Investor will recover a *pro rata* share of the Cash allocated to the Silo Component and, if there is a Pot Component, then a *pro rata* share of the Cash allocated to that component.

For example, assume that prior to the Receivership, Investor 1 contributed \$200 in the aggregate to StraightPath and that in the Welcome Letters to Investor 1, StraightPath advised that the investment was evenly “applied to” Pre-IPO Shares in two Pre-IPO Companies—Company X and Company Y (respectively, the “Company X related investment” and the “Company Y related

¹⁰ Consistent with the Investor Statements, under the Plan, Investor reinvestments (or “flips”) of distributions from StraightPath are regarded as new and distinct contributions and are accorded the same treatment as any other contribution.

¹¹ More specifically, absent an objection from an Investor, the amount of each Investor’s Allowed Interest will be based on the Investor’s Investor Statement, which tracks the description in the Welcome Letter, and other supporting documentation (*e.g.*, bank statements).

investment”). Also assume that Company X went public prior to the Receivership Date and that Investor 1 received \$150 from StraightPath on account of the Company X related investment. Under the Plan, Investor 1 would have an Allowed Interest of \$100 related to Company Y *only*, representing the Company Y related investment for which no funds were yet received. Because Investor 1 received a distribution pre-Receivership in excess of Investor 1’s Company X related investment, Investor 1’s Company X Interest is treated as a “Former Investor Interest” under the Plan and entitled to recovery on a *pro rata* basis only after all Investors have received payment of 100% of the amount of their Allowed Interests.

Additionally, assume that Company Y goes public after the Receivership Date, then Company Y will be treated in the same manner as any Pre-IPO Company that has a Liquidity Event after the Receivership Date, and Investor 1, as a Silo Investor of Company Y, will receive a *pro rata* share of the Silo Share Amount. If the Liquidity Event for Company Y results in Cash in excess of the Silo Share Amount, Investor 1 will also receive a *pro rata* share of the Pot Amount to be shared among all Investors and Claimants holding Allowed Interests and Allowed Unsecured Claims, respectively.

D. Detailed Distribution Hypotheticals

The following examples further illustrate the Plan’s Distribution mechanism under six (6) separate Liquidity Event recovery scenarios: (1) Realized Cash slightly in excess of the Silo Share Amount, (2) Realized Cash substantially in excess of the Silo Share Amount, (3) Realized Cash less than the Silo Share Amount, (4) Shortfall, Realized Cash less than Silo Share Amount, no tax due, (5) the Pot Component is only comprised of proceeds from Surplus Shares, and (6) Realized Cash in excess of the Silo Share Amount plus recovery from Surplus Shares. These examples are hypothetical and are only intended to provide clarity on the Distribution methodology under the

Plan. The facts set forth in the hypotheticals are not based on any existing state of facts and are for explanatory purposes only.

Example 1 – Realized Cash Slightly in Excess of Silo Share Amount

Hypothetical facts: StraightPath acquired 3,500,000 Pre-IPO Shares in Company X at a total cost of \$31,500,000. There are no Surplus Shares, and there is no Shortfall. After Company X has an IPO, the resulting Public Shares are liquidated, and the Receiver realizes \$35,000,000. In this scenario, the Silo Share Amount is \$31,500,000 and the Pot Amount is \$3,500,000 (\$35,000,000 less \$31,500,000 = \$3,500,000), or 90% and 10%, respectively, of the total Realized Cash.

Before allocating the Realized Cash to Investors among the Silo Component and Pot Component, the Reserve Amount must be deducted. The two Reserve Amount deductions are taken in the following order: From the total Realized Cash of \$35,000,000, the Receiver will first deduct the Tax Reserve Amount. Assume the Tax Reserve Amount is \$10,000,000, leaving \$25,000,000 in proceeds. The Receiver will then deduct the Non-Tax Reserve Amount (*i.e.*, 25% of the remaining \$25,000,000), which is equal to \$6,250,000. After these deductions, the remaining balance of the Realized Cash is \$18,750,000 (\$35,000,000 less \$10,000,000 less \$6,250,000 = \$18,750,000).

The balance of \$18,750,000 will then be divided among the Silo Component and Pot Component in accordance with the percentages that the Silo Share Amount and Pot Amount made of the original Realized Cash from Company X's Liquidity Event. Recall, as noted above, that the Silo Share Amount of \$31,500,000 comprises 90% of the total recovery of \$35,000,000 and that the Pot Amount of \$3,500,000 comprises 10%. Accordingly, of the \$18,750,000 balance available for Distribution, 90%, or \$16,875,000, is allocated for Distribution to the Silo Investors, and 10%, or \$1,875,000, is allocated for the Pot Component.

Example 2 – Realized Cash Substantially in Excess of Silo Share Amount

Hypothetical facts: StraightPath acquired 3,500,000 Pre-IPO Shares in Company X at a total cost of \$31,500,000. There are no Surplus Shares, and there is no Shortfall. After Company X has an IPO, the resulting Public Shares are liquidated, and the Receiver realizes \$75,000,000. In this scenario, the Silo Share Amount is \$31,500,000 and the Pot Amount is \$43,500,000 ($\$75,000,000$ less $\$31,500,000 = \$43,500,000$), or 42% and 58%, respectively, of the total Realized Cash.

Before allocating the Realized Cash to Investors among the Silo Component and Pot Component, the Reserve Amount must be deducted. As noted in Example 1, the Tax Reserve Amount is first deducted from the total Realized Cash (here \$75,000,000). Assume the Tax Reserve Amount is \$10,000,000, leaving \$65,000,000 in proceeds. The full Non-Tax Reserve Amount (*i.e.*, 25% of the remaining \$65,000,000) is equal to \$16,250,000, but under the Plan the Receiver is permitted to deduct less if the Receiver concludes that a lesser amount is required to fund the Non-Tax Reserve. Assume that the Receiver determines that the full Non-Tax Reserve is not required and deducts only 50% of the full Non-Tax Reserve total, or \$8,125,000. After these deductions, the remaining balance of the Realized Cash is \$56,875,000 ($\$75,000,000$ less $\$10,000,000$ less $\$8,125,000 = \$56,875,000$).

The balance of \$56,875,000 will then be divided among the Silo Component and Pot Component in accordance with the percentages that the Silo Share Amount and Pot Amount comprised of the original Realized Cash from Company X's Liquidity Event. Recall, as noted above, that the Silo Share Amount of \$31,500,000 comprises 42% of the total recovery of \$75,000,000 and that the Pot Amount of \$43,500,000 comprises 58%. Accordingly, of the \$56,875,000 balance available for Distribution, 42%, or \$23,887,500, is allocated for Distribution to the Silo Investors, and 58%, or \$32,987,500, is allocated for the Pot Component.

Example 3 – Realized Cash Less Than Silo Share Amount

Hypothetical facts: StraightPath acquired 3,500,000 Pre-IPO Shares in Company X for \$31,500,000. There are no Surplus Shares and there is no Shortfall. \$31,500,000 is the Silo Share Amount.

Here, assume that the Realized Cash after Company X has an IPO is only \$17,500,000. In this scenario, because the proceeds (\$17,500,000) are less than the Silo Share Amount (\$31,500,000), there is no Pot Amount, and there will be no Distribution on account of the Pot Component in connection with this Liquidity Event. Moreover, because there is no Pot Amount, under this scenario 100% of the Reserve Amount (calculated using the methodology described in Example 1) will be deducted from the Silo Share Amount. The resulting balance will be distributed *pro rata* to the Silo Investors for Company X. Because the Realized Cash is less than the Silo Share Amount, there will be not be a Pot Component Distribution from this Liquidity Event.

Example 4 – Shortfall, Realized Cash Less Than Silo Share Amount, No Tax Due

Hypothetical facts: StraightPath acquired 3,500,000 Pre-IPO Shares in Company X for \$35,000,000, *i.e.*, \$10 per share. However, the Welcome Letters advised Investors that their contributions had been applied to a total of 4,000,000 Company X Pre-IPO Shares, so there is a Shortfall of 500,000 Pre-IPO Shares. Assume further that the Receivership's basis in the 3,500,000 Company X Pre-IPO Shares is \$38,500,000, *i.e.*, \$11 per share. (For tax purposes, the Receivership's basis is determined as of the Receivership Date and is not related to StraightPath's cost.)

After the Receivership Date, Company X's Pre-IPO Shares are the subject of a buy-out and are exchanged for \$9 per share, so that the Receivership receives \$31,500,000. In this scenario, because the proceeds (\$31,500,000) are less than the Silo Share Amount (\$35,000,000), there is

no Pot Amount, and there will be no Distribution on account of the Pot Component in connection with this Liquidity Event. Moreover, because there is no Pot Amount, under this scenario 100% of the Reserve Amount is deducted from the Silo Share Amount. However, because the Receivership's tax basis is less than the Realized Cash (\$38,500,000 vs. \$31,500,000) there is no tax gain and accordingly, there is no Tax Reserve Amount required – only the Non-Tax Reserve Amount of \$7,875,000 ($\$31,500,000 \times 25\% = \$7,875,000$) will be deducted from the Realized Cash. The resulting balance of \$23,625,000 ($\$31,500,000$ less $\$7,875,000$) will be distributed *pro rata* to the Silo Investors for Company X. However, because of the Shortfall, each Silo Investors' share of the Silo Share Amount will be proportionally less than the amount that would have been realized had there been no Shortfall.

Example 5 – Pot Comprised of Surplus Shares Proceeds Only

Hypothetical facts: Here, assume that StraightPath acquired 3,500,000 Pre-IPO Shares in Company X, but 500,000 of those Pre-IPO Shares are Surplus Shares. Surplus Shares are not part of the Silo Component—they are, by definition, Pre-IPO Shares in excess of the total number that were included on all Silo Investors' Welcome Letters. Accordingly, StraightPath's cost to acquire the Surplus Shares is not included when the Silo Share Amount is calculated, and instead, the Silo Share Amount is based on StraightPath's cost to acquire only 3,000,000 Pre-IPO Shares ($3,500,000$ total Pre-IPO Shares less $500,000$ Surplus Shares = $3,000,000$). Assume that StraightPath's cost to acquire those 3,000,000 Pre-IPO Shares was \$27,000,000, which is therefore the Silo Share Amount.

Assume that after Company X has an IPO, the Receiver realizes \$17,500,000 in Cash (*i.e.*, \$5.00 per share). While the total recovery is less than the Silo Share Amount, unlike Example 2 above, there *will be* a Distribution on account of the Pot Component because of the Surplus Shares.

In this scenario, of the \$17,500,000 recovered, the proceeds from the Surplus Shares equal \$2,500,000 ($\$5.00 \times 500,000$) or approximately 14.3% of the total recovery, and the Silo Share Amount equals \$15,000,000 or approximately 85.7% of the recovery. Once the Reserve Amount is deducted using the methodology described in Example 1, the remaining funds will be allocated to the Silo Component and the Pot Component using those percentages.

Example 6 – Pot Comprised of Excess Cash and Surplus Shares

Hypothetical facts: As in Example 3, StraightPath acquired 3,500,000 Pre-IPO Shares in Company X of which 500,000 are Surplus Shares. Accordingly, only 3,000,000 Pre-IPO Shares are considered when determining the Silo Share Amount (3,500,000 total Pre-IPO Shares less 500,000 Surplus Shares = 3,000,000). Assume that the cost to acquire the 3,000,000 Silo Shares was \$27,000,000, which is therefore the Silo Share Amount.

In this scenario, after Company X has an IPO assume that the Receiver realizes \$35,000,000 (*i.e.*, \$10 per share). Accordingly, the proceeds from the Surplus Shares equal \$5,000,000 ($500,000 \times \10 per share), the Silo Share Amount is \$27,000,000 and the Pot Amount is \$3,000,000. However, the Pot Component includes both the Pot Amount *and* the proceeds of the Surplus Shares, so that the total available for Distribution on account of the Pot Component is \$8,000,000 (*i.e.*, the Surplus Share proceeds of \$5,000,000 plus the Pot Amount of \$3,000,000). On a percentage basis, the Silo Share Amount is approximately 77% of the total Realized Cash of \$35,000,000 and the Pot Component is approximately 23%. As above in Example 1, after deduction of the Reserve Amount, the remaining Cash will be allocated to the Silo Component and the Pot Component for Distribution based on these percentages.

IV. SOURCES FOR DISTRIBUTIONS

A. Currently Available Assets

The Receiver is currently holding the Scopely Cash Proceeds in the amount of \$15,121,266.53. That amount is less than the Silo Share Amount for the Scopely Pre-IPO Shares StraightPath acquired, and accordingly, there is no Pot Component regarding the Scopely Share Proceeds. As soon as reasonably practicable after the Court's Order approving the Plan becomes a Final Order (*i.e.*, the Plan's "Effective Date"), the Receiver will be permitted to distribute the Scopely Share Proceeds, less deductions for the Reserve Amount, to the Scopely Silo Investors

Additionally, the Receiver is currently holding Public Shares in six (6) companies: 23andMe Holding Co., AirBnB, Inc., Blend Labs, Inc., Grab Holdings Inc., Palantir Technologies Inc., and SoFi Technologies, Inc. (the "Pre-Receivership Public Companies"). As soon as reasonably practicable after the Court's Order approving the Plan becomes a Final Order, the Receiver will begin the process of selling currently-held Public Shares in accordance with the sale procedures set forth in the Plan. The Realized Cash from the sale of the Public Shares can then be distributed in accordance with the Plan procedures described above, less deduction for the Reserve Amount.

B. Escrow Funds

Under the Plan, the Receiver will be seeking Court approval to use any available Escrow Funds (*i.e.*, Escrow Funds less the cost of any Shortfall Shares the Receiver determines to acquire) for Pot Component Distributions after satisfying current Reserve needs (other than costs of administration).¹² If approved by the Court, as soon as possible after the Effective Date, the

¹² As noted above, by order dated March 13, 2024 (ECF No. 297), the Court granted the Receiver's motion to authorize, but not require, the Receiver to acquire Pre-IPO Shares in the Shortfall Companies. The Receiver is conducting necessary due diligence to determine which, if any, such Pre-IPO Shares she will seek to acquire.

Receiver will transfer the available Escrow Funds to the Receiver's operating bank account and allocate a portion of the Escrow Funds to the Reserve for any Disputed Interest and/or Disputed Claims, including any Pre-Receivership Tax Claims, and will use any balance of available Escrow Funds for *pro rata* Distribution on account of the Pot Component to holders of Allowed Interests and Allowed Unsecured Claims.

C. Cash Acquired from Future Liquidity Events and Litigation

Cash Distributions to Investors and Claimants (after allocations to the Reserve) will be made as soon as reasonably practicable following any Liquidity Event or Other Recovery occurring after the Effective Date, subject to the Receiver's discretion, including consideration of the amounts available and costs associated with making a Distribution.

Subject to Section 4.6 of the Plan, the Receiver may, when certain conditions are met, attempt to liquidate Pre-IPO Shares in her possession, during the first two years following the Effective Date of the Plan. Then, on the second anniversary of the Effective Date, the Receiver will be authorized, but not required, to sell any remaining Pre-IPO Shares in her possession, in accordance with the liquidation procedures described in this Plan. Once all Pre-IPO Companies have had Liquidity Events, or the Receiver has otherwise sold or otherwise disposed of all remaining Pre-IPO Shares, the Receiver will seek to make a Final Distribution to holders of Allowed Interests and Allowed Unsecured Claims.

V. CONCLUSION

Given StraightPath's extensive commingling and its failure to properly account for its numerous transactions, the Plan, of necessity, is based on a series of compromises intended to

harmonize differing interests. The Receiver believes that the Plan as structured provides for the distribution of Receivership Property to Investors and Claimants in an equitable and practical manner and should be approved.

Dated: New York, New York

April 9, 2024

OTTERBOURG P.C.

By: /s/ Erik B. Weinick

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