

Status Update as of 9/11/2023

A. ING Bank Settlement Distribution

The settlement agreement with ING Bank called for the settlement amount to be paid in three installments. The Receiver's distribution agent and paralegals have completed making distributions from the first two installments. On Friday, September 8, 2023, ING wire transferred the third and final installment to the Receiver. The Receiver expects to complete the remaining investor payments from the ING settlement by October 20, 2023.

B. First Interim Distribution

In late October or early November, we will begin making payments pursuant to the First Interim Distribution Plan. It is estimated that payments under this plan will be completed by the end of the year.

C. Repatriation Efforts in Slovakia (7.2 million)

In the spring of this year, the Receiver requested his Slovakian counsel file a legal proceeding to have the approximate \$7.2 million judgment against Riknik & Sons, Ltd ("Riknik") domesticated in Slovakia. (The Receiver had earlier obtained a judgment against Riknik in this amount in a separate lawsuit he filed against Riknik and others here in the United States.)

The Receiver was notified by his Slovakian counsel the judgment recognition proceeding has successfully concluded. A Slovakian Enforcement Officer was appointed by the Slovakian court and he has issued an Enforcement Order. The Receiver requested his Slovakian counsel to obtain certified translations of the Enforcement Order in Dutch and English. The Receiver emailed the Enforcement Order and the two translated versions to the Dutch Public Prosecutor's Office ("DPPO"). The DPPO indicated it will attach all three versions of the Enforcement Order to a Mutual Legal Assistant Treaty ("MLAT") request to their counterparts in Slovakia to lift the freeze order that is currently in place and thereafter, to wire the funds to the enforcement Officer. The Enforcement Officer will deduct his fee (\$43,000) and transfer the balance to the Receivership estate. The Receiver has continued to communicate with the DPPO and his Slovakian counsel. Thus far, the DPPO has not yet sent the MLAT request to their Slovakian counterpart.

The Receiver estimates the net recovery of the funds in Slovakia will allow the Receiver to make an additional distribution to investors somewhere between 23-24% of the investors approved claim amounts.

D. Repatriation Efforts in Morocco

The Receiver understands it is very difficult to have funds transferred out of the Kingdom of Morocco. The sums on deposit in Morocco are in Moroccan Dirham. The total number of Moroccan Dirham in the combined accounts is 46,641,689. According to Google Finance as of September 10, 2023, one Moroccan Dirham is the equivalent of .098 US dollars. As of September 10, 2023, this would amount to the equivalent of USD \$4,582,905.

It is likely that not all these amounts will be repatriated to the Receivership estate and that exchange rates will continue to vary. In addition, it is certainly conceivable that Morocco will charge fees associated with converting the Moroccan Dirham to US dollars and possibly additional fees for transferring the converted US dollars to the United States.

The Receiver recently filed a Second Motion for Instructions with the Receivership Court seeking the Judge's guidance on the path forward in Morocco. In that motion, the Receiver sought the Court's permission to pay up to 10% of the balance in the accounts to the Moroccan government for fees they may charge. The Receiver also sought the Court's permission to abandon any further efforts towards seizing and selling the Moroccan real estate. The Receiver's primary concern with the real estate stems from the fact that the properties have multiple liens on them, and the Receiver was unable to obtain a realtor to list the most valuable property. On September 07, 2023, the Court granted the Receiver's motion.

Since the Receiver's most recent update posted on July 31, 2023, the Banque Populaire account holders executed Irrevocable Transfer Orders ("ITOs") in favor of the Receivership estate. On September 7, 2023, the ITOs executed by the account holders were received. The Receiver executed the ITOs before a notary; September 12, 2023, he will have the ITOs with his notarized signature apostilled at the Texas Secretary of State's office. Thereafter, the Receiver will send them via DHL to his French counsel who, along with the Receiver's Moroccan counsel, will then present them to counsel for Banque Populaire.

The account holders have agreed to waive any claims for amounts which may have been on deposit at Banque Populaire, prior to the misappropriations from an entity by the name of Capillo Spot Forex ("CSF") and IB Capital, in exchange for the Receiver waiving any claims to the Moroccan real estate which the DPPO believes may have been acquired with funds that may have been misappropriated from CSF and IB Capital. Based upon my Dutch counsel's analysis of the bank records, there was less than \$500 in the accounts.

Before Banque Populaire can wire transfer the funds out of Morocco, the Receiver's Moroccan counsel must first obtain permission from Morocco's Office of Currency Exchange. As referenced above the DPPO believes that Emade Echade and Michel Geurkink also defrauded investors in CSF. The DPPO further believes approximately \$3 million in CSF's funds were deposited into the Banque Populaire accounts. The DPPO proposed that funds from the

Banque Populaire accounts be divided pro rata between the CSF investors and the IB Capital investors. This would translate into the IB Capital investors receiving approximately 92% and the CSF investors receiving approximately 8% of the net proceeds from the accounts. The Receiver's Second Motion for Instructions also addressed this proposed allocation of proceeds. The Court agreed with this proposed division.

At this point in time, it is too early to provide an estimated recovery and subsequent distribution percentage on the Moroccan funds.

E. Future Distributions

Once the Receiver has a better feel for the expected date upon which the Slovakian and Moroccan funds may be received, he will file a motion with the Court to make an additional interim distribution.

If the funds are not received near one another in terms of timing, the Receiver will proceed with a second interim distribution (assuming the Court grants the motion). Thereafter, when the last of the funds are received, another motion will be filed seeking to make a third and final distribution.