

**IN THE MATTERS OF  
FAIRFIELD SENTRY LIMITED  
FAIRFIELD SIGMA LIMITED  
FAIRFIELD LAMBDA LIMITED  
(ALL IN LIQUIDATION)  
(Collectively “the Funds”)**

**Claim Numbers: 0136, 0139 and 0074 of 2009**

**Thirteenth Interim Consolidated Report of the Liquidators to the Creditors and Registered  
Shareholders**

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27 November 2017

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## 1. GLOSSARY OF TERMS

Act	the Virgin Islands Insolvency Act, 2003
Agreement	the settlement agreement entered into between the Liquidators and the US Trustee of BLMIS and effective 8 July 2011
Bankruptcy Court	United States Bankruptcy Court for the Southern District of New York
BLMIS	Bernard L. Madoff Investment Securities LLC
Brown Rudnick	Brown Rudnick LLP, the Liquidators' US counsel
BVI	British Virgin Islands
Citco	collectively the Companies' former Administrator, Custodian and Depositary, respectively Citco Fund Services Europe B.V., Citco Global Custody and Citco Bank Nederland B.V. (Dublin branch)
Committee	Sentry's ad-hoc committee of representatives of five investors
Court	the High Court of Justice (Commercial Division) of the Eastern Caribbean Supreme Court
Court of Appeal	the Court of Appeal of the Eastern Caribbean Supreme Court
District Court	United States District Court for the Southern District of New York
Dutch Court	the District Court of Amsterdam
Farnum	Farnum Place LLC, the counterparty to a trade confirmation dated 13 December 2010 entered into by the Liquidators regarding a possible sale of Sentry's admitted SIPA claim
FGG	Fairfield Greenwich Group, the ultimate parent company of FGB and the Marketer of the Companies
Forbes Hare	the Liquidators' counsel in the BVI
KRYS Global	the trading name of Krys & Associates (BVI) Limited
Lambda	Fairfield Lambda Limited - In Liquidation

Last Report	the Twelfth Report of the Liquidators, dated 29 April 2016
Liquidators	the current Liquidators of the Companies, Kenneth M. Kryz and Charlotte E. Caulfield, and where appropriate this term is also used to collectively describe the acts of the former Liquidators
Non-BMLIS investments	investments made by Sentry into allegedly bona-fide investments, largely in "seedling" or start-up funds and non-SEC regulated entities
Preliminary Issues	the applications brought in the Court, (BVI) claim no. BVIHC (Com) 30/2010 known as <i>Fairfield Sentry Limited (in Liquidation) v Bank Julius Baer &amp; Co Ltd &amp; 33 others</i> and 7 other claims for determination whether certain common law claims brought by Sentry in relation to the recovery of redemption payments made to investors prior to Sentry's liquidation were barred by reason of either a "good consideration" defence or because the NAV upon which the redemptions were based was certified, the "certification" issue
Privy Council	the Judicial Committee of the Privy Council, the court of final appeal in the BVI
PwC	collectively the Companies' former Auditors, respectively PricewaterhouseCoopers LLP (a Canadian entity) and PricewaterhouseCoopers Accountants N.V. (a Dutch entity)
PwC Canada	specifically PricewaterhouseCoopers LLP (a Canadian entity)
PwC Netherlands	specifically PricewaterhouseCoopers Accountants N.V. (a Dutch entity)
Registered Shareholders	those shareholders who pursuant to Article 8 the Funds recognise
Rules	the Virgin Islands Insolvency Rules, 2005
Second Circuit	US Court of Appeals for the Second Circuit
Section 273	<i>"A person aggrieved by an act, omission or decision of an office holder may apply to the Court and the Court may confirm, reverse or modify the act, omission or decision of the office holder".</i>
Sentry	Fairfield Sentry Limited - In Liquidation
Shell	Stichting Shell Pensioenfonds, , a Registered Shareholder which obtained a conservatory attachment in the Dutch Court against the moneys held in the Dublin Citco Account and brought substantive proceedings against Sentry (and the Liquidators)

Sigma	Fairfield Sigma Limited - In Liquidation
SIPA	Securities Investor Protection Act 1970
Trade Confirmation	the document dated 13 December 2010 that sets forth the terms and conditions of the potential assignment of Sentry's admitted SIPA claim in the BLMIS liquidation proceedings to Farnum
US	United States of America
US Trustee	Mr. Irving Picard, the trustee appointed by the US Federal Bankruptcy Court pursuant to the SIPA provisions, in the liquidation of BLMIS

## 1. INTRODUCTION

- 1.1 This Report provides an update to creditors and Registered Shareholders as to the status regarding the current position of the liquidations of the Companies and the work performed by the Liquidators since the Last Report.

### **Appointment**

- 1.2 The Funds were placed into liquidation by orders of the BVI Court dated 23 April 2009 (Lambda) and 21 July 2009 (Sentry and Sigma).

### **Duty to Report**

- 1.3 The Liquidators are not obliged, either under the provisions of the Act or the Rules or under any of the orders of the Court pursuant to which they were appointed, to provide a report on their acts and dealings and the conduct of the liquidations until their conclusions. However, given the size and scope of the liquidations of the Funds the Liquidators wish to keep the Creditors and the Registered Shareholders of the Funds apprised of the current status of the liquidations, and they expect to continue to provide reports at pertinent stages of the Liquidations.
- 1.4 The Liquidators recognise that each of the Funds is a separate legal entity. However, given the similarities between the Funds and their collective history, the Liquidators have determined that a single consolidated report is appropriate. Where the contents of this Report relate to one specific entity, this is stated.
- 1.5 There have been 12 prior interim consolidated reports of the Liquidators, including the Last Report, should be read in conjunction with this Report, all of which are available at [www.fairfieldsentry.com](http://www.fairfieldsentry.com), [www.fairfieldsigma.com](http://www.fairfieldsigma.com) and [www.fairfieldlambda.com](http://www.fairfieldlambda.com).

### **Restrictions and Qualifications of the Report**

- 1.6 The purpose of this Report is to provide an update to the Creditors and Registered Shareholders on the work performed by the Liquidators since the Last Report.

- 1.7 The Liquidators rely on the information provided to us and have noted the source of the information in previous reports to which the reader is referred. KRYS Global is not responsible for any errors or omissions, or for the results obtained from the use of this information. No audit pursuant to Generally Accepted Accounting Principles or as prescribed by any professional accounting body has been performed by KRYS Global either with respect to the information included in this Report or any other information supplied. Any opinions, advice or estimates contained in this publication represent the judgment of KRYS Global at this time and are subject to change as circumstances vary.
- 1.8 This Report is not intended for general circulation or publication, nor is it to be reproduced or distributed to other third parties without KRYS Global's prior written consent. This Report is not to be relied upon by third parties without KRYS Global's prior written consent and no liability will be accepted for such unauthorised reliance.
- 1.9 The Liquidators report solely on the information available to them at the time of this Report and they will update the Creditors and Registered Shareholders in future reports at their discretion as new or additional information comes to light. The Liquidators have no duty to update information at any particular time and no duty to correct any misstatements, inaccuracies or omissions upon discovery of the same or at any time.
- 1.10 By receiving and reviewing this Report, the recipient expressly agrees, represents and warrants to the Liquidators that dissemination of this Report is restricted to its intended recipients only and nothing in this Report may be used in any manner in relation to any proceeding (including, without limiting the generality of the foregoing, proceedings or intended proceedings against the Companies or the Liquidators) or otherwise without the Liquidators' express written consent obtained in advance.

**Scope of Work Performed**

- 1.11 The powers of the Liquidators are in accordance with the provisions of Schedule 2 of the Act and these are set out in the orders of their appointment issued by the Court dated 23 April 2009

(Lambda) and 21 July 2009 (Sentry and Sigma). The Act and the Rules are available to download from the British Virgin Islands Financial Services Commission website: [www.bvifsc.vg](http://www.bvifsc.vg).

**Performance of Duties**

- 1.12 In order to comply with their duties and obligations, the Liquidators have been assisted by personnel of KRyS Global, whose work has been performed under the direction of the Liquidators.

**Currency**

- 1.13 All references to \$ in this Report refer to the US dollar unless otherwise specified.

## 2. EXECUTIVE SUMMARY

- 2.1 Since the Last Report, the Liquidators have been able to progress two important objectives in the liquidation: one is the payment of a First Interim Distribution to Registered Shareholders of Sentry of \$15.00 per share; and the second is receipt of a final order on the Farnum litigation in the US, which permitted the Liquidators to obtain sanction from the BVI Court to pay a Second Interim Distribution to Registered Shareholders of \$15.00 per share. This will bring the total interim distributions to date in Sentry's Registered Shareholders to \$30.00 per share.
- 2.2 In addition to the above, the Liquidators have also progressed the ongoing claims against those investors who made redemptions and received payments from the Funds prior to the Funds going into liquidation, and against the Funds' auditors, PwC in Canada and the Netherlands.
- 2.3 There has also been a significant development in relation to the US redeemer claims. Certain defendants to those claims had brought Section 273 applications challenging the Liquidators' decision to pursue the US redeemer claims. Although those applications were dismissed at first instance in March 2016, the applicants appealed. On 20 November 2017 the Court of Appeal handed down its judgment dismissing those appeals. Accordingly, the Liquidators remain free to continue the US redeemer claims (for which the Court of Appeal gave sanction in July 2016), and the Liquidators are taking steps to drive forward those US proceedings.

### 3. ANALYSIS AND WORK PERFORMED TO DATE

#### Distribution to Registered Shareholders

- 3.1 As outlined in the Last Report, one of the principal objectives of the Liquidators was to declare a First Interim Distribution to Registered Shareholders.
- 3.2 As foreshadowed in the Last Report, the Liquidators were successful in negotiating the compromise of those Registered Shareholders who had outstanding redemption requests of their shares prior to the liquidation and had participated in the June 2015 proceedings. These compromises were approved by the BVI Court.
- 3.3 In addition, the Liquidators were able to further assess the potential and actual claims made by former service providers pursuant to indemnity provisions in their contracts or, in the case of directors and officers, as spelled out in the articles of association of the Funds. In that regard, the Liquidators rejected the indemnity claims made by one particular former service provider, FGG (including its predecessor entity), and those made by a former director, Walter Noel and former company secretary, Jeffrey Tucker. The decision of the Liquidators has been challenged pursuant to Section 273, and certain preliminary issues will be heard by the BVI Court in January 2018.
- 3.4 Another claim by FGG, in respect of deferred fee liability, has also been rejected by the Liquidators and challenged by FGG pursuant to Section 273. In this instance, the parties have agreed to stay the appeal pending a decision in the litigation that Sentry commenced against FGG in New York and which is being assigned to the US Trustee pursuant to the Agreement.
- 3.5 A further issue that needed to be addressed was the claim by Shell in the Sentry liquidation. The Liquidators rejected this claim as well and Shell indicated that it would challenge that decision. However, a settlement was negotiated in which a small payment in advance was made to Shell for its claim. This compromise was approved by the BVI Court.
- 3.6 With these actual or potential claims addressed, the Liquidators were in a position to seek sanction for a First Interim Distribution by Sentry. A First Interim Distribution of \$15.00 per share

was sanctioned by the BVI Court first on 1 November 2016 and subsequently paid on 28 June 2017 (there was a delay in paying the distribution due to lengthy consideration of the potential impact of two decisions of the US Bankruptcy Court, but in July 2017 the Court approved the Liquidators' decision to press ahead with the distribution). At this time, it is not possible to declare a distribution for Sigma and Lambda. The Liquidators are taking steps to address this issue and hope that the obstacles which restrict the ability to make a distribution to Sigma and Lambda's Registered Shareholders will be resolved and a distribution to the Registered Shareholders of, at a minimum, Sigma will be possible by the summer of 2018. While it is hoped that the resolution of certain issues that will permit Lambda to pay distributions will be addressed by then, Lambda may not have sufficient assets in order to pay a distribution at that time.

#### **Sale of Sentry's admitted SIPA claim (the Farnum litigation)**

- 3.7 To recap briefly, in December 2010 Farnum and the Liquidators entered into the Trade Confirmation which provided for the sale of Sentry's claim in the BLMIS SIPA proceeding. The Trade Confirmation was expressed to be subject to court approvals in the BVI and United States. Immediately after the Trade Confirmation was signed, the market trading price of the SIPA claims in the BLMIS estate increased significantly due to an unforeseen and unprecedented \$7.2 billion settlement. As a result, the Liquidators determined that continuing the Trade Confirmation with Farnum was no longer in the best interests of the Funds and their creditors and Registered Shareholders. Farnum sought relief pursuant to Section 273 of the Act, seeking to force approval of the Trade Confirmation. The BVI Court approved the Trade Confirmation under BVI law, but additionally directed the Liquidators to bring the question of approval or non-approval before the US Bankruptcy Court.
- 3.8 While the Liquidators suffered defeats at both the Bankruptcy Court and District Court level, they were successful in having the Second Circuit remand the matter back down to the Bankruptcy Court with specific guidance on how to address the issue. In October 2015, the Bankruptcy Court found in favour of the Liquidators and disapproved the Trade Confirmation. This decision was affirmed by the District Court and subsequently, the Second Circuit. Farnum petitioned the Supreme Court for certiorari review. On 2 October 2017, the Supreme Court denied Farnum's

certiorari petition, bringing the matter to a final conclusion and putting the Liquidators in a position to utilise the monies recovered and obtain sanction for a Second Interim Distribution to Registered Shareholders.

- 3.9 From a recovery perspective, the Trade Confirmation would have resulted in a sale of the SIPA claim of \$230 million for 32.125% of its face amount, or \$73.9 million. So far, the US Trustee has distributed approximately 58% of Sentry's SIPA claim, or \$134.4 million. Distressed debt acquirers who are pursuing SIPA interests have indicated they would be willing to pay an uplift of over 17% (\$39 million) over declared distributions at this time, suggesting the added value to Sentry investors of disapproving the sale is nearly \$100 million.

#### **Claims against the Funds' redeeming investors**

- 3.10 A significant part of the Liquidators' strategy has been proceedings in the US and the BVI against investors of the Funds who had made redemptions and received payments from the Funds. The Liquidators' claims were brought under various causes of action, including common law restitutionary claims, contractual claims and statutory avoidance claims pursuant to the Act. These claims have at all times been pursued with the sanction of the Court (or in some instances the Court of Appeal).
- 3.11 Following the decision of the Privy Council on the Preliminary Issues, the Liquidators discontinued those claims filed in the BVI. In December 2011, certain of the defendants to the redeemer claims in the US had issued applications under Section 273 of the Act. The Court only handed down a judgment in March 2016, when the applications were rejected. The defendants appealed that judgment. The Court of Appeal heard the appeal in January 2017 and on 20 November 2017 handed down judgment dismissing the appeals. The Court of Appeal held that the applicants had no standing to seek the relief sought and also held that the Funds' claims in the New York proceedings were arguable and was not appropriate to prevent them from being pursued.

- 3.12 In April 2016, the BVI Court had refused sanction for the Liquidators to continue pursuing the redeemer claims in the US. The Liquidators appealed that decision and in June 2016 the Court of Appeal granted sanction to the Liquidators to proceed.
- 3.13 Following that, the Bankruptcy Court in July 2016 permitted the US proceeding to progress to the complaint amendment and strike-out stage. Amended complaints were filed in September 2016. In January 2017, the defendants to the US redeemer claims filed objections to the revised complaints and motions to dismiss, supported by one omnibus submission and various supplemental submissions. In late March 2017, the Liquidators responded to the omnibus objection and in early April responded to the various supplemental submissions. In May to June 2017, the Liquidators received the defendants' further round of omnibus and various supplemental submissions. There are a limited number of new matters coming out of the defendants' submissions on which the Liquidators made a request to the Bankruptcy Court to file a sur-reply. The Liquidators await the Bankruptcy Court's direction in this regard.
- 3.14 In addition, the Liquidators have given instructions to Brown Rudnick to commence registering entries of default against nonresponding parties in order that the Liquidators may pursue assets, including the attachment of relevant distributions that may be due to them and bring those amounts back into the estate. Brown Rudnick has commenced the first step in this process, and the clerk for the Bankruptcy Court has begun entering administrative notices of default on the relevant dockets.
- 3.15 To date, the Liquidators have entered into settlements with a number of defendants to redeemer claims, and have achieved recoveries of \$29 million for Sentry and \$2.7 million for Sigma. In addition, as part of the Agreement between the Liquidators and the US Trustee, the Liquidators are entitled to a portion of any settlements of claims that the US Trustee is bringing against redeeming investors. To date, Sentry has received \$10.5 million and Sigma has received \$41.6 million in relation to the settlements of several of the US Trustee's claims.

**Claims against the funds former auditor, PricewaterhouseCoopers (“PwC”)**

- 3.16 As previously reported, the Funds were audited by two offices of PwC: PwC Netherlands from December 1999 to 2005 and PwC Canada from 2006 to 2007. The Liquidators commenced proceedings against PwC Canada on 28 May 2012 and PwC Netherlands on 30 May 2012. The litigation in Canada and the Netherlands has progressed since the Last Report.
- 3.17 In Canada, as reported in the Last Report, PwC applied for summary judgment on the basis, they alleged, that the Funds did not suffer damages. Both sides filed evidence and on 7 June 2017 the Canadian Court found in PwC’s favour. The Liquidators reviewed the decision, in conjunction with their legal team, and determined that there were good reasons to appeal. BVI Court sanction to appeal was granted by the BVI Court and the Liquidators filed their appeal in August 2017. It is currently anticipated that such appeal will be heard in April 2018.
- 3.18 In the Netherlands, the Dutch Court ultimately ordered that PwC furnish the Liquidators with its audit files for the period 2003 – 2005, subject to certain conditions. The Liquidators, their legal team and their expert reviewed the audit files and filed a comprehensive report of their findings and of the significant deficiencies and weaknesses identified with the Dutch Court. A further response is shortly awaited from PwC, upon which the Liquidators anticipate hearing from the Dutch Court as to how it wishes to proceed.

**Claims against the funds’ former Administrator, Custodian, and Banker (“Citco”)**

- 3.19 Citco had a number of different roles in the Funds. Citco Bank Nederland was the Funds’ banker and custodian, having sub-delegated the latter role to BLMIS. Citco Fund Service (Europe) BV was the Funds’ administrator. Citco Global Custody was a substantial Registered Shareholder of the Funds. The Funds have potential causes of action against Citco, including a restitutionary claim for return of fees paid, negligence and/or breach of contract, and recovery of sums paid to the Funds’ redeeming investors based on an erroneous overstatement of the Funds’ NAV.

3.20 In order to preserve potential claims which could be made, the Liquidators and Citco entered into a tolling agreement dated 25 January 2010, which has been extended multiple times, most recently until 23 February 2018.

#### **Court applications and communication with the Committee**

3.21 The terms of the Liquidators' appointments are such that prior sanction must be sought from the Court in respect of *inter alia* the commencement, continuance or defence of any legal action and the compromise of any claims by or against the Companies. As set out above, a number of matters have progressed since the Last Report, which has meant that the Liquidators, through their BVI counsel, have had to make a number of applications to the Court in order to progress these matters.

3.22 The Liquidators consult with the Committee on a number of recovery matters relating to Sentry and keep the Committee apprised as to their activities and strategies by way of written updates and numerous memoranda. While the occasions when the Liquidators consult with the Committee has reduced over time, the Liquidators generally hold conference calls with the Committee on a quarterly basis, with face to face meetings being held when appropriate.

3.23 Some members of the Liquidation Committee are conflicted from providing consultation on the redeemer claims, as they themselves are defendants to redeemer claims brought by the Liquidators. A sub-committee therefore exists with two members who are "non-conflicted" and with whom the Liquidators can have an open dialogue regarding the redeemer claims, settlements, and any other matters, which the redeemer claims, may be a material factor.

3.24 The Committee is actively involved in reviewing and consulting on the Liquidators' fees and expenses in Sentry's liquidation (including those of the Liquidators' lawyers and other service-providers) and its views are brought to the attention of the Court when it reviews and approves the Liquidators' fees and expenses.

#### 4. FINANCIAL ANALYSIS

- 4.1 At this juncture in the liquidation of the Funds, all cash and assets are known and under the control of the Liquidators. The remaining assets to be monetized are a small portfolio of non-BLMIS investments, any future distribution on the SIPA claim in BLMIS (see discussion in paragraphs 3.7-3.9), and of course any recoveries on the Funds' claims against redeemers and former service providers. Similarly, the Liquidators have paid or provided for all liabilities of the Funds, including the US trustee, liabilities to late subscribers and the FGG claims (see discussions in paragraphs 3.3 and 3.4)
- 4.2 Appendix A details the cash receipts and disbursements since the commencement of the liquidations. As at 30 September 2017, the Liquidators have achieved recoveries in Sentry and Sigma of \$435 million compared with cash disbursements of \$200 million, representing a net cash inflow of \$249 million.
- 4.3 The next fee application is scheduled to be heard by the Court on 15 January 2017, in respect of fees and expenses generally incurred from June 2017 to November 2017 (at a minimum). In accordance with the provisions of the Act, the Liquidators' remuneration is based upon their time costs.

## 5 CONCLUSION

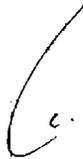
- 5.1 The Liquidators have declared and paid a First Interim Distribution to Sentry's Registered Shareholders and obtained sanction on 24 November 2017 from the BVI Court to pay a Second Interim Distribution in Sentry. Steps are underway to address the issues that are holding back Sigma, at a minimum, to declare a distribution to its Registered Shareholders. Depending on whether Lambda has sufficient assets, it too may be able to make an interim distribution to its Registered Shareholders.
- 5.2 In the upcoming twelve months, the Liquidators expect there to be significant progress in some of the litigation matters it is pursuing that may free up current assets or bring in further recoveries into the estates, which in turn will allow for further distributions in Sentry in 2018. Those litigation matters are:
- 5.2.1 The Section 273 challenge to the Liquidators decision to reject claims in Sentry and Sigma from: FGG, Walter Noel and Jeffrey Tucker. If the Liquidators are successful and no appeal is filed, this will free up provisions that have been set aside for these claims.
  - 5.2.2 The objections to the amended complaints and the motions to dismiss filed by the defendants in the US redeemer actions. If the Liquidators are successful in defending at least some of these motions, the Liquidators expect more defendants to approach the Liquidators (as some currently do) in order to explore settlement possibilities.
  - 5.2.3 The appeal of the summary judgement in favour of PwC in Canada. If the Liquidators are successful in reversing this decision, the Liquidators are hopeful that PwC will reconsider settling this litigation.
  - 5.2.4 A decision of the Dutch Court on the PwC Netherlands complaint. If the Liquidators are successful and there is no appeal, the Liquidators will have a judgement to recover. Even if it is appealed however, the Liquidators are similarly hopeful that PwC will reconsider settling the claim.
  - 5.2.5 The toll with Citco. The Liquidators continue their dialogue with Citco and are hopeful that the current impasse on reaching a resolution of the potential claims can be overcome, or

depending on how some of the other litigation progresses, they may decide to file the claim and progress the litigation.

5.3 Of course, if the Liquidators are unsuccessful or perhaps only partially successful on the above matters, then the opportunities to free up current assets or recover additional assets diminishes or ceases to arise.

5.4 In the meantime, however, creditors and Registered Shareholders are advised to keep a regular check on the websites for further updates. Should you have any queries please contact [fairfieldsentry@KRYS-Global.com](mailto:fairfieldsentry@KRYS-Global.com); [fairfieldsigma@KRYS-Global.com](mailto:fairfieldsigma@KRYS-Global.com); or [fairfieldlambda@KRYS-Global.com](mailto:fairfieldlambda@KRYS-Global.com), quoting your Holder and Account ID number.

**Kenneth M. Kryz**  
**Liquidator**  
**27 November 2017**



Fairfield Sentry Limited & Fairfield Sigma Limited – both In Liquidation  
Liquidators' cash receipts and disbursements statement  
July 2009 to 30 September 2017

Appendix A

	SENTRY USD \$ 30-Sep-17	SIGMA USD \$ 30-Sep-17	LAMBDA USD \$ 30-Sep-17	TOTAL USD \$ 30-Sep-17
<b>Cash Receipts</b>				
Cash Held At Citco	70,099,114.70	62,411,835.00	-	132,510,949.70
Other Cash at Bank	-	260,264.82	-	260,264.82
Non-BLMIS Investments	78,318,809.41	-	-	78,318,809.41
Pre-Liquidation Redemption Receipts	27,511,975.04	3,216,490.91	-	30,728,465.95
US Trustee Redemption Recovery Allocation	10,473,627.88	41,587,860.64	-	52,061,488.52
Distributions on SIPA Claim in BLMIS	138,725,400.00	-	-	138,725,400.00
Recovery of retainers	-	316,952.00	-	316,952.00
Interest received	763,773.00	1,873,173.45	-	2,636,946.45
Other Income	1,120.02	-	-	1,120.02
	<u>325,893,820.05</u>	<u>109,666,576.82</u>	<u>-</u>	<u>435,560,396.87</u>
<b>Cash Disbursements</b>				
Payment Pursuant to Agreement	70,000,000.00	-	-	70,000,000.00
Allocation to Trustee of Redemption Receipts	2,409,479.00	292,608.00	-	2,702,087.00
Database & web fees	578,705.04	9,380.74	-	588,085.78
Office rental expenses	13,200.00	18,800.00	-	32,000.00
Petitioner's Costs	1,173,430.83	-	-	1,173,430.83
Bank charges and other costs	141,732.85	38,042.74	-	179,775.59
	<u>74,316,547.72</u>	<u>358,831.48</u>	<u>-</u>	<u>74,675,379.20</u>
Net Cash Before Liquidators Fees and Expenses and Distributions	<u>251,577,272.33</u>	<u>109,307,745.34</u>	<u>-</u>	<u>360,885,017.67</u>
Legal fees and expenses	69,404,000.05	115,283.69	15,534.75	69,534,818.49
Legal Contingency Fees	5,622,544.33	7,586,912.41	-	13,209,456.74
Liquidators fees and expenses	29,286,137.57	1,621,927.54	213,436.64	31,121,501.75
Adverse Costs	3,464,586.30	-	-	3,464,586.30
Other professional fees	1,018,004.45	47,210.01	-	1,065,214.46
Liquidation committee expenses	153,128.79	-	-	153,128.79
Fees Paid on behalf of Lambda	203,191.40	10,245.24	(213,436.64)	-
Legal Fees Paid on behalf of Lambda	15,534.75	-	(15,534.75)	-
	<u>109,167,127.64</u>	<u>9,381,578.89</u>	<u>-</u>	<u>118,548,706.53</u>
Net Cash Before Distribution to Creditors and Shareholders	<u>142,410,144.69</u>	<u>99,926,166.45</u>	<u>-</u>	<u>242,336,311.14</u>
Distribution to Creditors	775,497.43	-	617,887.68	1,393,385.11
Payment of Loan on Behalf of Lambda	617,887.68	-	(617,887.68)	-
Compromises Paid to Unpaid Redeemers	3,727,564.43	-	-	3,727,564.43
Distributions to Registered Shareholders	11,383,498.06	-	-	11,383,498.06
	<u>16,504,447.60</u>	<u>-</u>	<u>-</u>	<u>16,504,447.60</u>
<b>Net Cash Position</b>	<u>125,905,697.09</u>	<u>99,926,166.45</u>	<u>-</u>	<u>225,831,863.54</u>
<b>Net Cash Position Consists of:</b>				
Unencumbered Cash	64,570,675.44	99,926,166.45	-	164,496,841.89
Distributions Held in Escrow	61,335,021.65	-	-	61,335,021.65
	<u>125,905,697.09</u>	<u>99,926,166.45</u>	<u>-</u>	<u>225,831,863.54</u>
<b>Closing Balance made up of:</b>				
General Accounts	40,746,557.09	99,926,166.45	-	140,672,723.54
Account holding SIPC Receipts	85,159,140.00	-	-	85,159,140.00
<b>Cash Position as Per Bank</b>	<u>125,905,697.09</u>	<u>99,926,166.45</u>	<u>-</u>	<u>225,831,863.54</u>

A

Notes

A - The receipts and disbursements account reflects cash transactions since the liquidation date as approved by the Court