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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
**SAN FERNANDO VALLEY DIVISION**

12 In re

13 SYNAPSE FINANCIAL TECHNOLOGIES,  
14 INC.,

15 Debtor.  
16  
17  
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19

Case No. 1:24-bk-10646-MB

Chapter 11

**CHAPTER 11 TRUSTEE'S NINTH  
STATUS REPORT**

DATE: September 13, 2024

TIME: 10:00 a.m. PT

PLACE: 303

21041 Burbank Boulevard

Woodland Hills, CA 91367 and

Via ZoomGov  
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1 TO THE HONORABLE MARTIN BARASH, UNITED STATES BANKRUPTCY JUDGE,  
2 THE OFFICE OF THE UNITED STATES TRUSTEE AND INTERESTED PARTIES:

3 I, Jelena McWilliams (the “Trustee”), the duly appointed, qualified and acting chapter 11  
4 trustee for the estate of Debtor Synapse Financial Technologies, Inc. (“Synapse” or the “Debtor”),  
5 hereby submit my ninth “Chapter 11 Trustee’s Status Report” (the “Report”) and represent as follows:

6 **I.**

7 **TIMELINE OF EVENTS**

8 **A. Filing of the Chapter 11 Case and Appointment of Chapter 11 Trustee**

9 On April 22, 2024, the Debtor filed a voluntary chapter 11 petition, schedules and statement  
10 of financial affairs.

11 On May 24, 2024, following a hearing, the Court entered an order appointing a chapter 11  
12 trustee (the “Appointment Order”), and Jelena McWilliams was appointed by the U.S. Trustee as the  
13 Chapter 11 Trustee in this Chapter 11 Case (the “Case”). [Dkt. No. 196].

14 On June 6, 2024, the Trustee filed the “Chapter 11 Trustee’s Initial Status Report” (the “Initial  
15 Report”), and, on June 7, 2024, the Trustee presented the Initial Report at a Status Conference before  
16 the Court. On June 13, 2024, the Trustee filed the “Chapter 11 Trustee’s Second Status Report” (the  
17 “Second Report”), and, on June 14, 2024, the Trustee presented the Second Report at a Status  
18 Conference before the Court. On June 20, 2024, the Trustee filed the “Chapter 11 Trustee’s Third  
19 Status Report” (the “Third Report”), and, on June 21, 2024, the Trustee presented the Third Report at  
20 a Status Conference before the Court. On July 2, 2024, the Trustee filed the “Chapter 11 Trustee’s  
21 Fourth Status Report” (the “Fourth Report”), and, on July 3, 2024, the Trustee presented the Fourth  
22 Report at a Status Conference before the Court. On July 16, 2024, the Trustee filed the “Chapter 11  
23 Trustee’s Fifth Status Report” (the “Fifth Report”), and, on July 17, 2024, the Trustee presented the  
24 Fifth Report at a Status Conference before the Court. On July 31, 2024, the Trustee filed the “Chapter  
25 11 Trustee’s Sixth Status Report” (the “Sixth Report”), and, on August 1, 2024, the Trustee presented  
26 the Sixth Report at a Status Conference before the Court. On August 13, 2024, the Trustee filed the  
27 “Chapter 11 Trustee’s Seventh Status Report” (the “Seventh Report”), and, on August 14, 2024, the  
28 Trustee presented the Seventh Report at a Status Conference before the Court. On August 29, 2024,

1 the Trustee filed the “Chapter 11 Trustee’s Eighth Status Report” (the “Eighth Report”), and, on  
2 August 30, 2024, the Trustee presented the Eighth Report at a Status Conference before the Court.  
3 Additional information about the timeline of events in this Case and the Debtor’s historical business  
4 operations can be found in these previous reports.

5 **B. Update on Ledger Reconciliation and Release of End User Funds**

6 The schedules below summarize the partial distributions made by Partner Banks to Synapse-  
7 related end users since May 24, 2024. Since the Eighth Report, dated August 29, 2024, AMG and  
8 Lineage have made new distributions and have distributed the great majority of the funds they hold  
9 for end users. In addition, Evolve reports that it is progressing its reconciliation efforts and continues  
10 to expect to make distributions based on such reconciliation within 8 weeks from August 23rd, i.e.,  
11 approximately October 18th.

12 At the time of this Report, Partner Banks are continuing reconciliation efforts and information  
13 outreach with the objective of making additional distributions of reconciled funds to end users as soon  
14 as possible. Experience to date suggests that a relatively small percentage of end user funds at Partner  
15 Bank may be subject to additional delays in distribution due to matters unrelated to reconciliation  
16 efforts, such as delays in obtaining current payment instructions for end users and returned payments.

17 Additionally, Evolve and Lineage have voluntarily provided their own reports with additional  
18 details of their reconciliation efforts and distributions to date, which are attached to this Report as  
19 **Exhibit A** and **Exhibit B**, respectively. The inclusion of these reports as appendices is not an  
20 endorsement by the Trustee of positions taken by any particular Partner Bank and is solely for  
21 informational purposes.

22 ***1. DDA Reconciliation and Distributions***

23 Since the Eighth Report, Evolve has distributed an additional \$123,857 in DDA funds; no  
24 additional DDA funds have been distributed, as detailed below. Overall, of the \$6,401,769 aggregate  
25 DDA Funds held by Evolve and Lineage on the date of the Trustee’s appointment, \$5,691,458, or  
26 approximately 89%, have been distributed to date, with \$710,311, or approximately 11%, remaining  
27 to be distributed.

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<b>DDA Funds Summary<sup>1</sup></b>					
	<b>American Bank</b>	<b>AMG National Trust</b>	<b>Evolve Bank and Trust</b>	<b>Lineage Bank</b>	<b>Total Funds</b>
<b>Funds Held on May 24, 2024</b>	N/A	N/A	\$6,013,000	\$388,769	\$6,401,769
<b>Funds Distributed as of May 24, 2024</b>	N/A	N/A	\$5,369,000	\$198,601	\$5,567,601
<b>Funds Distributed as of September 12, 2024</b>	N/A	N/A	\$5,492,857	\$198,601	\$5,691,458
<b>Remaining Funds on September 12, 2024</b>	N/A	N/A	\$520,143	\$190,168	\$710,311

Partner Banks have reported that the status and issues related to distributions of DDA funds remains the same from the Eighth Report, as detailed below.

<b>DDA Funds Distributions Progress</b>			
	<b>Funds Held on May 24, 2024</b>	<b>Total Funds Distributed as of September 12, 2024</b>	<b>Percentage of Funds Distributed</b>
<b>American Bank</b>	N/A	N/A	N/A
<b>AMG National Trust</b>	N/A	N/A	N/A
<b>Evolve Bank and Trust</b>	\$6,013,000	\$5,492,857	91%
<b>Lineage Bank</b>	\$388,769	\$198,601	51%
<b>Total DDA Funds</b>	\$6,401,769	\$5,691,458	89%

- Evolve reports that it continues to work to distribute additional DDA funds, but progress has been slow because 5 Fintech Partners have not responded to outreach for balance verification and payment instructions: Donut (believed to be out of business), Namebase, Trim, Unest and SeedFi. Evolve reports that it is in communication with Fintech Partners Grabr and Homebase to investigate if any DDA funds associated with these platforms are held at Evolve. Evolve is also awaiting payment instructions to reprocess approximately \$800 in returned payments.

<sup>1</sup> Partner Banks have reported to the Trustee certain numbers in approximations.

- Lineage has not distributed additional DDA funds but reports that it is working to distribute approximately \$30,000 in additional funds to end users of one Fintech Partner. Additionally, Lineage holds approximately \$160,000 DDA funds as part of a DDA loan program and has determined to validate these funds against the Synapse ledger before making distributions.
- Neither American Bank nor AMG holds any DDA funds for Synapse end users.

The Trustee is not aware of any reported shortfall between cash held in DDAs at the Partner Banks and the amounts owed to DDA end users as shown on the Synapse trial balances. The Trustee believes that Partner Banks should be able to successfully repay the remaining DDA funds in the near future.

**2. FBO Account Reconciliation and Distributions**

Since the Eighth Report, an additional \$177,596 in FBO funds has been distributed by AMG and an additional \$6,382,503 in FBO funds has been distributed by Lineage. No other FBO funds have been distributed by other Partner Banks, as detailed below. Overall, of the \$219,049,826 aggregate FBO Funds held by AMG, American Bank, Evolve and Lineage on the date of the Trustee’s appointment, \$165,031,397, or approximately 75%, have been distributed to date, with \$54,018,429, or approximately 25%, remaining to be distributed.

<b><u>FBO Funds Summary<sup>2</sup></u></b>					
	<b>American Bank</b>	<b>AMG National Trust</b>	<b>Evolve Bank and Trust</b>	<b>Lineage Bank</b>	<b>Total Funds</b>
<b>Funds Held on May 24, 2024</b>	\$43,339	\$110,290,040	\$46,926,558	\$61,789,889	\$219,049,826
<b>Funds Distributed as of May 24, 2024</b>	\$0	\$55,000,000	\$0	\$0	\$55,000,000
<b>Funds Distributed as of July 2, 2024</b>	\$0	\$100,769,819	\$0	\$0	\$100,769,819

<sup>2</sup> Partner Banks have reported to the Trustee certain numbers in approximations.

1	<b>Funds Distributed as of July 16, 2024</b>	\$0	\$104,025,366	\$0	\$0	\$104,025,366
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3						
4	<b>Funds Distributed as of July 31, 2024</b>	\$0	\$105,026,528	\$0	\$0	\$105,026,528
5						
6						
7	<b>Funds Distributed as of August 14, 2024</b>	\$0	\$106,070,956	\$0	\$0	\$106,070,956
8						
9						
10	<b>Funds Distributed as of August 29, 2024</b>	\$0	\$109,270,681	\$0	\$49,200,617	\$158,471,298
11						
12						
13	<b>Funds Distributed as of September 12, 2024</b>	\$0	\$109,448,277	\$0	\$55,583,120	\$165,031,397
14						
15						
16	<b>Remaining Funds on September 12, 2024</b>	\$43,339	\$841,764	\$46,926,558	\$6,206,769	\$54,018,429
17						

18 Partner Banks have reported the status and issues related to distributions of FBO funds as  
 19 detailed below.

<b>DDA Funds Distributions Progress</b>			
	<b>Funds Held on May 24, 2024</b>	<b>Total Funds Distributed as of September 12, 2024</b>	<b>Percentage of Funds Distributed</b>
<b>American Bank</b>	\$43,339	\$0	0%
<b>AMG National Trust</b>	\$110,290,040	\$109,448,277	99%
<b>Evolve Bank and Trust</b>	\$46,926,558	\$0	0%
<b>Lineage Bank</b>	\$61,789,889	\$55,583,120	90%
<b>Total Funds</b>	\$219,049,826	\$165,031,397	75%

- 27 • As of September 12, 2024, American Bank holds approximately \$42,339.67 of  
 28 potential commercial end user funds. American Bank has informed the Trustee that it

1 is investigating the status of these funds and hopes to work with Partner Banks to verify  
2 the funds in the near future.

- 3 • As of September 12, 2024, AMG has paid out \$109,448,277 (99% of total FBO funds  
4 held by AMG) for the benefit of over 90,000 end users, either paid directly to end users  
5 or to custodial banks for user check payments or operating Fintech Partners' credit to  
6 end users. Of the total payments, AMG has paid out 100% of balances (~\$89.1 million)  
7 for 12 Fintech Partners and their over 85,000 users and has made partial payments  
8 (~\$20.3 million) for an additional 10 Fintech Partners and their over 5,000 users. AMG  
9 has \$841,764 in FBO funds left to distribute on behalf of 10 Fintech Partners and their  
10 over 10,000 end users (includes Fintech Partners where only partial payments were  
11 made and where issues with distributions exist). AMG also is working on reprocessing  
12 return payments of approximately \$48,000. AMG will continue to work with fintech  
13 platforms to process as many distributions as payment information permits. However,  
14 AMG and several fintech platforms are having difficulty obtaining additional current  
15 payment information from end users. On September 9, AMG sent follow-up emails to  
16 over 1,800 Yotta end users with a total of \$494,000 in balances who had not responded  
17 to earlier email requests. Approximately 80 end users responded within the two days  
18 since sending. End users may elect to respond to AMG's information request via secure  
19 email, phone or U.S. mail. AMG's contact information was provided in the emails sent  
20 to the end users. End users are encouraged to make sure their fintech platform provider  
21 has current payment information regardless of the size of the balance. Yotta and  
22 MainVest end users who have received emails or phone calls from AMG are  
23 encouraged to contact AMG promptly. Because of the lack of additional current  
24 payment information, AMG expects that after September, payment activity will slow  
25 even more. AMG is awaiting payment instructions for approximately \$423,000 from  
26 9 other fintech platforms with 8,465 end users. The average value of remaining  
27 balances (other than for Yotta end users) is less than \$50. AMG holds funds of \$1.00  
28 or less without current payment information for approximately 5,200 (50%) remaining

1 end users. AMG also holds approximately \$72,000 for unidentified Synapse Brokerage  
2 FBO customers and \$150,845.19 in unallocated interest associated with Synapse  
3 Brokerage sweep network deposits, which was transferred into AMG FBO Accounts  
4 on June 7, 2024.

- 5 • As of September 12, Lineage has paid out \$\$55,583,120 for the benefit of 4,438 end  
6 users. For the remaining funds, Lineage is working diligently to complete reconciliation  
7 and obtain payment instructions to make distributions.
- 8 • Evolve reports that it is continuing its reconciliation efforts before it will be able to  
9 make distributions of FBO funds. Evolve estimates they will be able to begin making  
10 distributions of FBO funds 8 weeks after August 23, 2024 (the date its data collection  
11 efforts were complete), i.e., approximately October 18th. Since the last report, the  
12 Trustee and her Advisors are continuing to work diligently with Evolve and its  
13 consultants, including Ankura, to provide data and other support in order to accelerate  
14 Evolve's data collection and reconciliation.
- 15 • The aggregate \$65 million to \$95 million estimated shortfall has not changed since the  
16 Eighth Status Report.

17 **C. Further Reconciliation Efforts**

18 **1. *Analysis of Synapse Data Provided to Partner Banks***

19 The Trustee and her advisors have collected and made available to the Partner Banks all  
20 Synapse's ledger records, data and systems on a confidential and read-only basis to facilitate  
21 reconciliation to the Partner Banks. The Trustee and her advisors are working continuously and closely  
22 with the Partner Banks to facilitate additional data sharing and navigating Synapse systems.

23 **2. *Communications among Partner Banks and with End Users and Fintech***  
24 ***Platforms***

25 The Trustee is continuing to facilitate communication among the Partner Banks and Fintech  
26 Partners and other parties in interest to reconcile individual end user accounts, obtain payment  
27 instructions, establish workarounds and resolve other reconciliation and distribution questions.



1 As discussed in previous status reports, the Trustee is aware that Partner Banks have had  
2 ongoing difficulties obtaining information from certain Fintech Partners, which has delayed  
3 distributions to certain end users in some instances. The Trustee again urges the few Fintech Partners  
4 that have been unresponsive to outreach from the Partner Banks or that have not provided information  
5 to verify end user balances and direct payments to cooperate fully and quickly with the Partner Banks  
6 to enable the release of their end users' funds. The Trustee has also been informed that some end users  
7 do not have up-to-date payment information on file with their respective Fintech Partners, which has  
8 delayed distributions to these end users. The Trustee again urges all end users to check their  
9 information in their Fintech's app or website and provide current bank routing and account numbers  
10 to receive payments, or in the alternative, current mailing addresses to receive paper checks.

11 **D. Estate Expenses**

12 The Trustee and her advisors are continuing to identify and implement administrative operating  
13 cost reductions while preserving data key to reconciliation efforts and value for the estate in light of a  
14 potential asset sale. Since the last status conference, the Trustee and her advisors have put substantial  
15 efforts towards developing a plan to descale and eventually terminate cloud expenses associated  
16 important for the reconciliation process.

17 **E. Meetings with Parties in Interest**

18 Since August 29, 2024, the Trustee and her advisors have had follow-up meetings and  
19 communications with known parties in interest as well as initial meetings and communications with  
20 additional constituents.

21 **1. *Bank Partners***

22 The Trustee and her advisors continue to have open lines of communication with the Partner  
23 Banks and their respective counsel, individually and collectively. The purpose of these  
24 communications has been to communicate on progress and issues that have arisen in the reconciliation  
25 process and issues arising in connection with the reconciliation process.

26 **2. *Debtor's Former Officers, Key Employees and Contractors***

27 The Trustee and her advisors held multiple meetings with former Synapse officers regarding  
28 historical operations of Synapse and its relationship with Partner Banks, technical matters relating to

1 the operations of the Synapse system and the impact of different systems on the reconciliation process  
2 and identification of costs and services that can be scaled back without impacting the reconciliation  
3 process.

4 **3. End Users**

5 The Trustee continued to have meetings and communications with affected end users, the  
6 purpose of which has been to connect end users with Partner Banks and to respond to inquiries about  
7 reconciliation progress. The Trustee is acutely aware the real-life impacts to end users and urgency of  
8 many end user's circumstances as they wait for reconciliation to complete and access to their funds.  
9 The Trustee continues to urge all stakeholders to work efficiently and respond promptly to end user  
10 inquiries. To illustrate the urgency of the situation, the Trustee has attached a copy of one such  
11 communication as **Exhibit C** to this Report.

12 **4. Vendors and Suppliers**

13 The Trustee continues to receive and catalogue in-bound communications from creditors with  
14 unpaid invoices. The Trustee's advisors are continuing to communicate with certain key vendors to  
15 ensure records preservation and plan efficient data transition. The Trustee appreciates their  
16 cooperation to date and their continued cooperation until all the Debtor's records and information can  
17 be properly retained.

18 **5. Asset Sale Inquiries**

19 The Trustee and her advisors continue to receive inbound inquiries regarding the potential  
20 acquisition of Synapse assets and have had preliminary meetings with several parties to gauge interest  
21 and feasibility and to inform a proposed asset sale plan.

22 **F. Conversion**

23 The Trustee believes this Case should remain in chapter 11 for the time being and, as  
24 of the time of this Report, is not seeking conversion to chapter 7.

25 **II.**

26 **CONCLUSION AND RECOMMENDATION**

27 The Trustee continues to facilitate the Partner Banks' additional efforts with regard to  
28 reconciliation, settlement payments among banks and identifying the sources of any shortfalls. The

1 Trustee and her advisors are working with Partner Banks and key vendors to collect and preserve  
2 Synapse records across platforms used by Synapse. These efforts will facilitate further reconciliation.  
3 B. Riley is continuing to develop a strategy and materials to facilitate a potential asset sale.

4 The Trustee will present the foregoing at the Status Conference scheduled for September 13,  
5 2024, at 10:00 a.m. Pacific Time.

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DATED: September 12, 2024

**JELENA MCWILLIAMS**  
**CHAPTER 11 TRUSTEE**

By: /s/ Jelena McWilliams

Jelena McWilliams  
Chapter 11 Trustee

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# Exhibit A

## **Evolve Bank & Trust: Update on Ledger Reconciliation and Release of End User Funds**

Evolve Bank & Trust (“Evolve” or “Bank”) is providing this update to the Trustee and parties in interest documenting the Bank’s progress in performing a reconciliation that, once completed, will enable Evolve to distribute end user funds in its possession, in compliance with applicable law.

### **I. Background**

As explained in prior updates to the Trustee and the Court, Evolve is holding approximately \$46 million in funds belonging to end users of Synapse Brokerage LLC (“Synapse Brokerage”), a subsidiary of the bankrupt entity Synapse Financial Technologies, Inc. (“Synapse”). These end user funds are held by Evolve in connection with the Bank’s payment processing activities for Synapse Brokerage end users following their fintech platforms’ migration from Evolve to Synapse Brokerage in Fall 2023. The Bank additionally holds approximately \$35.3 million in reserve funds that it will distribute to end users if the reconciliation determines that such distribution is appropriate.

As detailed in prior updates, Synapse had a contractual obligation to maintain, and to provide to Evolve, a complete and accurate ledger. However, the Bank has identified significant irregularities in Synapse’s ledgers that indicate the account balances set forth therein are materially inaccurate, and cannot be used as the basis for distributing funds to end users. Therefore, Evolve determined that a reconciliation was necessary to determine (1) which Synapse Brokerage end users have funds at Evolve, and (2) for those Synapse Brokerage end users with funds at Evolve, how much is owed to each end user.

The Bank has engaged Ankura Consulting Group, LLC (“Ankura”), a third-party firm with strong expertise in complex accounting and reconciliation matters, to lead the reconciliation on the Bank’s behalf. Ankura’s work has been underway for weeks, and a status report containing an update on recent progress is below.

### **II. Reconciliation Status Report**

Ankura continues to make progress toward completing a Reconciliation Plan that will take account of Synapse Brokerage end-user transactions in and out of Evolve and allow the Bank to determine (1) which Synapse Brokerage end users have funds at Evolve, and (2) the amount of their funds at Evolve.

Per the Bank’s prior updates, the essential components of this Reconciliation Plan are:

- Collection of Synapse’s account and transaction data;
- Analysis of this data, along with Evolve’s own data, to track the flow of funds into and out of Synapse Brokerage end users’ accounts; and
- Calculation of the end-users’ actual balances at Evolve.

Ankura has completed the transfer, restoration, and validation of the databases necessary to perform the reconciliation. As noted in prior updates, this process involved working with the Trustee and the Trustee's service provider to extract, copy, transfer to Ankura, and restore more than 100 databases maintained by Synapse, comprising nearly 10 terabytes of data. Ankura has separately obtained access to millions of Evolve's transactional records.

With record collection and database restoration completed, Ankura is currently diligently analyzing the contents of the Synapse databases and Evolve's records to reconcile account-by-account, transaction-by-transaction activity with reported account balances over time. Consistent with prior updates, the anticipated timeline for completing the reconciliation, starting from the collection of the necessary data (substantially complete as of August 23, 2024), is approximately eight weeks, subject to possible contingencies. This means that we expect the reconciliation to be completed by October 18, 2024.

Updates will continue to be provided on Evolve's website at <https://www.getevolved.com/synapse-bankruptcy-update/>.

# Exhibit B



**Lineage Bank  
Status Update  
September 12, 2024**

The Synapse-linked FBO funds held at Lineage Bank (“Lineage”) are the subject of Lineage’s ongoing reconciliation efforts. Many end users who were associated with the Synapse Financial Technologies (“Synapse”) platform are still unable to access their funds due to the sudden financial collapse of Synapse, and Lineage acknowledges the frustration and hardship this situation has created for many. Lineage remains committed to resolving these issues as swiftly and accurately as possible and submits this Status Report to update all parties on its Synapse-related reconciliation efforts.

**Background**

Lineage terminated its contract with Synapse in March of 2024, and was winding down its relationship when Synapse filed bankruptcy. Lineage operated primarily as a third-party payment processor for Synapse. Consequently, Lineage did not have direct relationships or account agreements with the end-users of Synapse’s fintech platform customers. Simply put, Lineage originated ACH and wire transfers based on money movement instructions it received from Synapse. Lineage has reconciled the cash that it processed at the direction of Synapse against the Federal Reserve’s records. Lineage’s cash balance of FBO funds reconciles with the Federal Reserve’s records. However, the final trial balance that Synapse generated during its final hours attributes a different purported FBO account balance to Lineage than the actual cash balance at Lineage that has been verified against the Federal Reserve’s records and contains other deficiencies and contradictions.

Due to the issues with Synapse’s final trial balance, Lineage has been forced to undertake to reconcile end user accounts and calculate end user balances based on the information that has been made available to it by the Trustee through the bankruptcy process. Lineage engaged, at its

own expense, a former Synapse engineer familiar with Synapse's systems to access the Synapse accounting databases to assist with recovering, preserving and analyzing the Synapse data. Since Lineage first obtained access to Synapse's critical accounting databases, it has worked with great effort to collect and preserve Synapse's available data for the benefit of all affected parties. Unfortunately, this process has been complicated and time-consuming given the significant attention to detail required in these unprecedented circumstances.

### **Update on Lineage's Reconciliation Efforts**

Despite multiple and substantial complications, some of which have been outlined in previous filings, Lineage continues to make material progress in its reconciliation efforts. Given the magnitude and complexity of the tedious task of analyzing the millions of transactions required for the reconciliation project, there remains substantial work to be done.

Since the last status conference on August 30, 2024, Lineage has distributed approximately \$6,382,503 of Synapse-linked FBO funds to their rightful owners. Lineage's recent distributions bring the total distributions of FBO funds by Lineage to Synapse-linked end users to approximately \$55,583,120, representing roughly 90% of the Synapse-linked FBO funds that were held at the bank when the Trustee was appointed. Lineage anticipates making additional distributions of FBO funds in the future as its ongoing reconciliation efforts progress. Lineage will continue to cooperate with the Trustee, the fintech platforms and the other Partner Banks to restore the FBO funds held at Lineage to their rightful owners as soon as possible.

# Exhibit C

[Report This Email](#) [FAQ](#)

Good evening Ms McWilliams,

Please find my statement below:

My name is Nathan Grant, and my Yotta account, consisting of \$7437.00, became unavailable to me starting in May of 2024. At first I was patient, hoping that the issues with my account would be resolved, however, by June 21, when I was still unable to access my funds, I had sent an email to the NH Banking Commission describing the issue. They responded to me on June 26 2024 and provided me with the bank that they said were responsible for my account which was Evolve Bank and Trust, and suggested that I contact the FDIC with my account issue, at which time I did call the FDIC and spoke to Leon and he advised me to file a complaint form, which I did. On June 27, 2024 I called Evolve Bank and Trust and was transferred to a supervisor/manager who told me that they no longer had the accounts and she had given me the email address to contact Synapse, where she stated my funds were. On July 1 2024, I emailed Evolve Bank and Trust and received a response stating similarly to my phone call, that as of late 2023 that my account transitioned from Evolve Bank and Trust to Synapse. On July 2, 2024 I emailed

Synapse at the email address I had been given but received no response. Then on July 9, 2024, after still being denied access to my funds, I sent another email to Evolve Bank and Trust citing the hearing information, and asking for help accessing my account with no response. My last attempt at contacting Evolve Bank and Trust was on September 2, 2024 when I submitted another online email form requesting assistance with my account, with no response.

I have tried many times to get help to gain access to my account but have been unsuccessful. My concern is that I am in the NH Air National Guard and am due to be deployed, out of the country, next month and still without access to my account. These funds were all I had since I am also a full time college student, and have been saving for this Deployment.

I have been following the updates on the Yotta accounts and see that money has been distributed back to many account holders, however, I am not one of those people that have been lucky enough to get my money back, and with my deployment growing nearer I am growing increasingly concerned.

Thank you for your time

V/R

Nathan Grant

Sent from my iPhone

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

Cravath, Swaine & Moore LLP, 2 Manhattan West, 375 Ninth Avenue, New York, NY 10001

A true and correct copy of the foregoing document entitled (*specify*): \_\_\_\_\_

CHAPTER 11 TRUSTEE'S NINTH STATUS REPORT

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will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 9/12/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Jeffrey C Wisler jwisler@connollygallagher.com, dperkins@connollygallagher.com  
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Beth Ann R. Young bry@lnbyg.com, bry@lnbyb.com

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (date) 9/12/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

None.

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served):** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) 9/12/2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

None.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

9/12/2024  
Date

Robert N. Greenfield  
Printed Name

/s/ Robert N. Greenfield  
Signature