

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

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SECURITIES AND EXCHANGE COMMISSION, :
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 Plaintiff, :
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 -v- :
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 LEGEND VENTURE PARTNERS LLC, :
 :
 Defendant. :
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No. 1:23-cv-05326-LAK

THE RECEIVER’S FIFTH QUARTERLY STATUS REPORT TO THE COURT

Melanie L. Cyganowski, the receiver (the “*Receiver*”) for Legend Venture Partners LLC (“*LVP*”), Legend Ventures Fund 1 LLC, Legend Ventures Fund 2 LLC, Legend Ventures Fund 3 LLC, Legend Ventures Fund 4 LLC, Legend Ventures Fund 5 LLC (collectively, the “*LV Funds*”, and together with LVP, the “*Receivership Entities*” or “*Legend*”), by her undersigned counsel, hereby submits this Fifth Quarterly Status Report, covering the period from July 1, 2024, through and including September 30, 2024 (the “*Reporting Period*”), as required by the Order Appointing Receiver [Dkt. 33] (the “*Receivership Order*”),¹ entered on July 7, 2023, which appointed the Receiver for the estate of the Receivership Entities (the “*Receivership Estate*” or “*Receivership*”).²

I. Preliminary Statement

During and after the Reporting Period, the Receiver continued to review and monitor Legend’s ownership interests in specific private companies (each, a “*Pre-IPO Company*”) in

¹ Capitalized terms used but not defined herein shall have the same meanings ascribed in the Receivership Order.
² The Receiver already reported on a portion of her activities during the Reporting Period in her Fourth Quarterly Status Report to the Court [Dkt. 111] dated July 30, 2024. Similarly, as this report is being filed after the conclusion of the Reporting Period, this report will include descriptions by the Receiver of activities that occurred both during and after the Reporting Period.

which Legend owns interests (“*Pre-IPO Shares*”).³ Approximately ninety-eight (98%) of Legend’s ownership interests are in special purpose vehicles (“*SPVs*”), which are non-Legend entities controlled by third-parties that invested directly or indirectly in Pre-IPO Companies. During and after the Reporting Period, the Receiver continued to collect information from certain of the SPVs. The SPVs in which Legend owns interests do not in all instances own direct shares in Pre-IPO companies, but instead own interests in other SPVs, which complicates analysis.

Additionally, during the Reporting Period, the Receiver reviewed an order by the Securities and Exchange Commission (the “*SEC*”) settling charges against Anthony Guarino for unregistered broker activity, including selling membership interests in the Legend Funds.

The Receiver’s financial advisor has undertaken an analysis to determine the investor contributions in Legend and the use of those contributions. Given the limited resources available, the Receiver is considering the most efficient path forward in administering the Receivership in order to maximize the benefit to investors.

II. SUMMARY OF OPERATIONS OF THE RECEIVERSHIP

A. Review of Legend’s Interests and Preparing for Liquidity Events of Pre-IPO Companies

As noted above, approximately ninety-eight (98%) of Legend’s ownership interests are in special purpose vehicles (“*SPVs*”), which are non-Legend entities controlled by third-parties that invested in Pre-IPO Companies. During and after the Reporting Period, the Receiver communicated with the managers of certain of the SPVs in which Legend owns interests. The Receiver requested information, including Legend’s account statements and audited financial

³ Although this Report generally refers to “Shares” in Pre-IPO Companies, as described by the Receiver in her status reports to the Court, the Receivership Entities’ interests in Pre-IPO Companies are not necessarily actual shares of stock in Pre-IPO Companies. Legend purchased Pre-IPO interests primarily through (i) interests in special purpose vehicles, which are non-Legend entities controlled by third-parties that invested in Pre-IPO Companies; and (ii) forward contracts. Solely for convenience, this Report refers to “Shares” to include all such interests acquired by the Receivership Entities.

statements of the SPVs. The Receiver is continuing to review these documents. Further, the SPVs do not in all instances own shares in Pre-IPO companies, but own interests in other SPVs. The Receiver is continuing to review the complicated investment structure.

While the vast majority of Legend's ownership interests are in SPVs, the Receiver continued to prepare for the possible public listing or other liquidity event of certain Pre-IPO Companies owned directly or indirectly by the SPVs. These include Triller Corp. ("*Triller*"), which completed a merger with a public company on October 15, 2024.

On April 18, 2024, Triller announced that it entered into a definitive merger agreement with AGBA Group Holding Limited ("*AGBA*") to combine AGBA with Triller. After the Reporting Period, on October 15, 2024, AGBA announced that it completed its merger with Triller, forming Triller Group Inc. ("*Triller Group*"). Triller Group's common stock began trading publicly on October 16, 2024. According to information provided by Triller Group, prior to the merger, a reverse stock split was implemented, which resulted in shareholders of Triller receiving one (1) share of Triller Group for every four (4) shares of Triller. The Receiver is advised that shareholders of Triller Group are generally subject to a lock up and their shares will become freely tradeable after a six month holding period that commenced on October 15, 2024, the date of the completion of the merger.

Legend purchased equity interests in an unaffiliated SPV that purportedly owns shares of Triller. After the merger was completed, the Receiver's counsel communicated with counsel for the manager of the SPV to understand, among other things, whether, and if so when, the Triller Group shares will be distributed to the Receiver.

B. The SEC's Settlement of Charges Against Anthony Guarino

During the Reporting Period, on September 12, 2024, the SEC announced that it settled charges against Anthony Guarino for unregistered broker activity, including, among other things,

selling membership interests in the Legend Funds.⁴ Without admitting or denying the findings, Guarino agreed to cease and desist from future violations of the antifraud and broker-dealer registration provisions of the federal securities laws and to industry and penny stock disbarment. According to the SEC's order, Guarino agreed to pay disgorgement and prejudgment interest of \$431,287 and a civil penalty of \$100,000. Any amounts paid pursuant to the settlement are payable to the SEC.

C. Taxes

During the Reporting Period the Receiver issued 2023 Schedule K-1s on or around September 15, 2024, and worked on issues related to the tax return for the "Qualified Settlement Fund," which was filed on October 15, 2024.

D. Plan of Distribution

The Receiver is considering different distribution scenarios and is also listening to investors' suggestions concerning a distribution. The Receiver expects to provide further information on a potential plan of distribution in the coming months.

E. Communications with Investors and Parties-In-Interest

The Receiver maintains a dedicated email address for inquiries (legendreceivership@stout.com). During the Reporting Period, the Receivership Team responded to phone calls and correspondence from investors and purported creditors and communicated with those parties. As of mid-October 2024, the Receivership Team has received or made over 330 individual communications by phone and email with parties-in-interest, including receiving inquiries from over 157 investors and other parties-in-interest.

⁴ The SEC's announcement and a copy of the SEC's order can be found at the following link: <https://www.sec.gov/newsroom/press-releases/2024-127>.

F. The Fourth Status Report

In accordance with Section XIV of the Receivership Order, on July 30, 2024, the Receiver filed the Fourth Quarterly Report. [Dkt. 111].

III. CASH, EXPENSES, AND UNENCUMBERED ASSETS

Attached hereto as **Exhibit A** is the Standardized Fund Accounting Report (“*SFAR*”) as of September 30, 2024, which sets forth a schedule summarizing cash receipts and disbursements, as well as cash on hand for the Reporting Period, in the Receivership case.

A. Financial Information

As of September 30, 2024, the Receivership Entities had \$0 in cash. As of September 30, 2024, the court-approved interim fees and expenses of the Receivership Team are approximately \$386,180.35 in fees and \$10,503.75 in expenses, of which (i) the aggregate amount of \$77,236.07 is subject to holdback, and (ii) and the aggregate amount of \$319,448.03 is not subject to holdbacks.

The Receiver has not made any payments to professionals on account of approved fees and expenses since this Receivership was commenced in July 2023. In all, \$386,180.35 in fees and \$10,503.75 in expenses remains unpaid.

B. Cash disbursements and receipts

Cash disbursements during the Reporting Period totaled \$0.

Cash receipts during the Reporting Period totaled \$0.

IV. RECEIVERSHIP PROPERTY AND PRE-IPO SHARES

As of September 30, 2024, the primary tangible assets of the Receivership Estate consisted of Pre-IPO Shares, including holdings in SPVs and forward contracts.

At the time of this report, the Receiver continues to collect and review financial information with respect to the Receivership Entities, including the ownership of the Pre-IPO Shares. As

alleged in the Complaint, LVP purchased the Pre-IPO Shares for \$22 million. The current value of the Receivership Entities' investment portfolio is difficult to determine and is subject to change based on the market for Pre-IPO Shares.

V. LIQUIDATED AND UNLIQUIDATED CLAIMS HELD BY THE RECEIVERSHIP ESTATE/INVESTIGATION OF TRANSACTIONS

The Receiver is continuing to investigate potential liquidated and unliquidated causes of action, if any held by the Receivership Entities. The Receivership Entities may have causes of action against a number of parties which the Receiver is considering. The Receiver cannot at this time state whether she will seek leave to commence any actions and, if commenced, their value or the likelihood of collecting on any judgment that may ultimately be obtained.

VI. CLAIMS ANALYSIS

The Receiver has not yet initiated a formal claims process. As noted, the Receiver has been assembling information with respect to investors and is considering the timing and implementation of a claims process in an effort to make the claims process as efficient as possible, including implementing the claims process simultaneously with a plan of distribution.

VII. RECOMMENDATIONS FOR CONTINUATION OR DISCONTINUATION OF RECEIVERSHIP

The Receiver believes that continuation of the Receivership is in the best interests of the creditors and investors of Legend. While the Receivership Entities could be administered in a bankruptcy proceeding, the Receiver believes that continuing with the orderly administration of the Receivership Entities in this Receivership case provides much greater flexibility to achieve an equitable result for the investors and is more cost effective than a bankruptcy proceeding.

VIII. CONCLUSION

The Receiver will provide further information about the state of the receivership as it becomes available. In the interim, the Receiver is working to (i) gather information related to the

Receivership Entities' financial and operational information; and (ii) analyze issues related to a Plan.

Dated: October 30, 2024
New York, New York

OTTERBOURG P.C.

By: /s/ Erik B. Weinick
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*Counsel for Melanie L. Cyganowski,
as Court-Appointed Receiver*

STANDARDIZED FUND ACCOUNTING REPORT for LEGEND RECEIVERSHIP - Cash Basis
 Receivership; Civil Court Docket No. 1:23-cv-05326-LAK
 Reporting Period 07/01/2024 to 9/30/2024

FUND ACCOUNTING (See instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/2024):			\$ -
	<i>Increase in Fund Balance:</i>			
Line 2	Business Income	\$ -		
Line 3	Cash and Securities	-		
Line 4	Interest/Dividend Income	-		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	-		
Line 7	Third-Party Litigation Income	-		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 - 8):		\$ -	\$ -
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors		\$ -	
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	\$ -		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	-		
Line 10d	Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses			
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	Total Third-Party Litigation Expenses	-		
Line 10f	Tax Administrator Fees and Bonds	-		
Line 10g	Federal and State Tax Payments	-		
	Total Disbursements for Receivership Operations		\$ -	
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....	\$ -		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisors.....	-		
	Tax Advisors.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses	\$ -		
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator.....	\$ -		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisors.....	-		
	Tax Advisors.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		

STANDARDIZED FUND ACCOUNTING REPORT for LEGEND RECEIVERSHIP - Cash Basis
Receivership; Civil Court Docket No. 1:23-cv-05326-LAK
Reporting Period 07/01/2024 to 9/30/2024

	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution	-		
	7. (FAIR) Reporting Expenses	-		
	<i>Total Plan Implementation Expenses</i>	\$ -		
	Total Disbursement for Distribution Expenses Paid by the Fund		\$ -	
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	\$ -		
Line 12b	Federal Tax Payments	-		
	Total Disbursements to Court/Other:		\$ -	
	Total Funds Disbursed (Lines 9 - 11):		\$ -	
Line 13	Ending Balance (As of 09/30/24):			\$ -
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents	\$ -		
Line 14b	Investments	-		
Line 14c	Other Assets or Uncleared Funds	-		
	Total Ending Balance of Fund - Net Assets			\$ -

OTHER SUPPLEMENTAL INFORMATION:

		Detail	Subtotal	Grand Total
	Report of Items NOT To Be Paid by the Fund:			
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
Line 15a	<i>Plan Development Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator.....	\$ -		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisors.....	-		
	Tax Advisors.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	<i>Total Plan Development Expenses Not Paid by the Fund</i>		\$ -	
Line 15b	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator.....	\$ -		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisors.....	-		
	Tax Advisors.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		

STANDARDIZED FUND ACCOUNTING REPORT for LEGEND RECEIVERSHIP - Cash Basis
Receivership; Civil Court Docket No. 1:23-cv-05326-LAK
Reporting Period 07/01/2024 to 9/30/2024

	5. Miscellaneous	-		
	6. FAIR Reporting Expenses	-		
	<i>Total Plan Implementation Expenses Not Paid by the Fund</i>		\$ -	
Line 15c	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>	\$ -	\$ -	
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			\$ -
Line 16	Disbursements to Court/Other Not Paid by the Fund:			
Line 16a	<i>Investment Expenses/CRIS Fees</i>	\$ -		
Line 16b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other Not Paid by the Fund:		\$ -	\$ -
Line 17	DC & State Tax Payments			
Line 18	No. of Claims:			
	<i># of Claims Received This Reporting Period.....</i>			
	<i># of Claims Received Since Inception of Fund.....</i>			
Line 19	No. of Claimants/Investors:			
	<i># of Claimants/Investors Paid This Reporting Period.....</i>			
	<i># of Claimants/Investors Paid Since Inception of Fund.....</i>			

Receiver:

By:/s/ Melanie L. Cyganowski, as Receiver
 (signature)

Melanie L. Cyganowski, as Receiver
 (printed name)

Court Appointed Receiver
 (title)

Date: October 30, 2024