

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

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

THE RECEIVER’S FOURTH 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 Fourth Quarterly Status Report, covering the period from April 1, 2024, through and including June 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 the Reporting Period, the Receiver has focused on obtaining material related to Legend’s business operations that pursuant to the Receivership Order are required to be produced

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 Third Quarterly Status Report to the Court [Dkt. 82] dated April 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.

to the Receiver. The Receiver believes it is necessary to obtain certain electronic data, including certain text messages, emails and other electronic data relating to Legend's business operations in order to determine the next steps in the Receivership. Accordingly, to obtain the requested data, both prior to and during the Reporting Period, the Receiver's counsel communicated with former counsel for Legend and former or current counsel for certain individuals associated with Legend's pre-receivership business operations, including Mario Gogliormella ("**Gogliormella**"), Steven Lacaj ("**Lacaj**") and Adam Ibrahim ("**A. Ibrahim**") and with Gogliormella and Lacaj, the "**Legend Related Persons**").

However, those discussions did not result in the turnover of the requested data, and, as a result, the Receiver's counsel prepared and filed a motion to compel the Legend Related Persons to turnover records in compliance with the Receivership Order (the "**Motion to Compel**") [Dkt. 83]. After briefing and arguing the Motion to Compel before the Court, the counsel for the Receiver and for the Legend Related Persons entered into a stipulation, which was so ordered by the Court, that allowed the Receiver to review certain documents on Legend's email server, subject to certain restrictions. The Receiver is currently determining the appropriate next steps regarding the requested data. The information sought through the Motion to Compel may provide important information that could shape the Receiver's decisions on how to proceed in this Receivership.

During the Reporting Period, the Receiver continued to review and monitor Legend's ownership interests in specific private companies (each, a "**Pre-IPO Company**") in which Legend owns interests ("**Pre-IPO Shares**").³ Approximately ninety-eight (98%) of Legend's ownership

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.

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 continued to collect information from certain of the SPVs, including audited financial statements for the calendar year 2022, which in certain instances were not issued until May 2024. 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 valuation.

Additionally, during the Reporting Period, the Receiver reviewed an indictment (the “*Indictment*”) against Gogliormella, Lacaj, and Karim Ibrahim (“*K. Ibrahim*” and with Gogliormella and Lacaj, the “*Individual Defendants*”), which was unsealed on June 7, 2024 in the criminal action captioned *United States v. Gogliormella, et al.*, 24-cr-00362-VSB (S.D.N.Y.) (the “*Criminal Action*”) commenced by the U.S. Attorney’s Office for the Southern District of New York (the “*USAO*”). The Receiver also reviewed a complaint (the “*SEC Complaint*”) against Gogliormella, Lacaj, and K. Ibrahim in the civil action captioned *Securities and Exchange Commission v. Gogliormella, et al.*, 24-cv-04348-LAK (S.D.N.Y.) (the “*Individual SEC Action*”). The Receiver is continuing to analyze the impact of the Criminal Action and the Individual SEC Action on the administration of the Receivership.

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. The Receivership Entities' Financial and Operational Information

During the Reporting Period, the Receivership Team continued to gather information pertinent to administration of the estate, including information with respect to Legend's electronic systems, the business operations of Legend, the investors in the LV Funds, and Legend's holdings of Pre-IPO Shares.

During and prior to the Reporting Period, the Receiver's counsel sought from Legend's legacy counsel ("*Legend Legacy Counsel*") certain electronic data, including certain text messages, emails and other electronic data relating to Legend's business operations (the "*Electronic Data*") from the Legend Related Persons (Gogliormella, Lacaj, and A. Ibrahim). Legend Legacy Counsel, who also represented or had represented one or more of the Legend Related Persons, advised that the Electronic Data would not be produced on grounds of the attorney-client and Fifth Amendment privileges allegedly held by the Legend Related Persons.

After the Legend Related Persons repeatedly rejected the Receiver's request to explain the basis for their claim of privilege, on May 14, 2024, the Receiver filed the Motion to Compel seeking, among other things, turnover of the Electronic Data and Court permission to review certain emails on Legend's email server. The Legend Related Persons opposed the Motion to Compel [Dkt. 100], and after filing of the Receiver's reply in support of the Motion to Compel [Dkt. 101], the Court heard argument on May 30, 2024.

Following the hearing on the Motion to Compel, and in accordance with the Court's comments, the Receiver's counsel and counsel for the Legend Related Persons executed a stipulation pursuant to Federal Rule of Evidence 502(d), which was approved by the Court on June

11, 2024 [Dkt. 105] (the “**502(d) Order**”). In accordance with the 502(d) Order, the Receiver’s counsel was permitted to, and did, review certain documents stored on Legend’s email server.

The Receiver is considering what steps to take next regarding the Electronic Data.

B. The Criminal Action

During the Reporting Period, the Indictment was unsealed. In the Indictment, the USAO charged the Individual Defendants (Gogliormella, Lacaj, and K. Ibrahim) with conspiracy, securities fraud, wire fraud, and investment adviser fraud in connection with the operation of, among other entities, Legend.

As the Indictment relates to Legend, the USAO alleged that the Individual Defendants and their agents represented to investors in the LV Funds that they earned no upfront fees or commission in connection with the acquisition of pre-IPO shares on the LV Funds’ behalf but in fact, the Individual Defendants acquired shares and then sold them to the LV Funds at arbitrarily inflated and excessive prices without disclosing to investors the nature or extent of the markup. Indictment, ¶ 2. Additionally, among other things, the USAO alleged that the Individual Defendants destroyed records and otherwise obstructed the efforts of the SEC to uncover the Individual Defendants’ alleged fraud on investors. *Id.*

According to the Indictment, from in or about 2019 through in or about October 2022, the Individual Defendants, and their agents solicited investments into various funds of approximately \$185 million from at least 1,400 investors. Indictment, ¶ 9. According to the Indictment, the Individual Defendants received more than \$28 million in investors’ funds, which for the most part

were not disclosed to investors or made in accordance with the respective funds' offering documents. Indictment, ¶ 9.

In the Indictment, the USAO seeks forfeiture from the Individual Defendants of all property derived from proceeds traceable to the commission of the alleged offenses, including but not limited to sum of money of at least \$185 million. Indictment, ¶ 21.

C. The Individual SEC Action

During the Reporting Period, members of the Receivership Team reviewed and analyzed the SEC's complaint against the Individual Defendants in the Individual SEC Action. In the complaint, the SEC charges the Individual Defendants with violations of various sections of the Securities Act of 1933, the Securities Exchange Act of 1934, and the Investment Advisers Act of 1940 in connection with, among other entities, Legend. The SEC's complaint also names A. Ibrahim as a relief defendant.

The SEC Complaint alleges that between June 2019 to February 2022, the Individual Defendants and their unregistered sales force sold interests on behalf of StraightPath Venture Partners LLC ("*StraightPath*") and raised at least \$149 million from over 1,000 investors. SEC Complaint, ¶ 2. The SEC's complaint alleges that while StraightPath was under scrutiny from the SEC, the Individual Defendants launched Legend, and from February through October 2022, the Individual Defendants, together with their unregistered sales force, raised over \$35 million for Legend from more than 300 investors around the country. SEC Complaint, ¶ 3. The SEC Complaint alleges that the Individual Defendants directed an unregistered sales force to pressure investors into making investments without telling them that the shares had been substantially marked up and were far above the average prices that StraightPath and/or Legend had paid for the underlying shares. SEC Complaint, ¶ 6. The SEC Complaint alleges, among other things, that during the relevant period, the Individual Defendants and their sales force received more than \$45

million in upfront fees. SEC Complaint, ¶ 7. The SEC seeks a judgment ordering, among other things, the Individual Defendants to disgorge ill-gotten gains and pay civil money penalties. SEC Complaint, Prayer for Relief.

D. 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 statements of the SPVs. In certain instances, the audited financial statements for the calendar year 2022 were not finalized until May 2024, and 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 in which Legend indirectly owns interests. These include Triller Corp. ("*Triller*"), which has been the subject of SEC filings or public announcements concerning a merger transaction.

Specifically, 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 Corp (the "*Merger Announcement*"). On June 12, 2024, AGBA filed a preliminary proxy statement relating to the proposed merger. *At this time, the merger has not been approved by the regulators or consummated. No closing date for the merger has been announced.*

During the Reporting Period, the Receiver's counsel monitored developments regarding the potential merger and sought to understand how Legend's holdings will be treated.

E. Taxes

As previously reported, on October 6, 2023 notices were received from the New York State Department of Taxation and Finance ("*NYS*") asserting that the tax returns filed on September 15, 2023 were filed late (the "*Late Filing Notices*"). In the Late Filing Notices, NYS had assessed penalties against the Receivership Entities in the total amount of \$90,000 for the late filing. The Receiver learned that prior to the Receivership, the Receivership Entities' legacy accountant did *not* file timely extensions with NYS, due on March 15, 2023, to extend the date to file the tax returns to September 15, 2023. The Receiver (through BRG) requested that the NYS tax authorities remove the penalties assessed in the Late Filing Notices. As of June 30, 2024, NYS has agreed to remove all of the penalties.

F. 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.

G. 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-June 2024, the Receivership Team has received or made over 280 individual communications by phone and email with parties-in-interest, including receiving inquiries from over 135 investors and other parties-in-interest.

H. The Third Status Report

In accordance with Section XIV of the Receivership Order, on April 30, 2024, the Receiver filed the Third Quarterly Report. [Dkt. 82].

III. CASH, EXPENSES, AND UNENCUMBERED ASSETS

Attached hereto as **Exhibit A** is the Standardized Fund Accounting Report (“*SFAR*”) as of June 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 June 30, 2024, the Receivership Entities had \$0 in cash. The fees and expenses for the Receiver, Otterbourg, Stout and BRG that have been incurred during the Reporting Period total in the amount of \$113,576.06. As of June 30, 2024, the court-approved interim fees and expenses of the Receivership Team are approximately \$276,756.35 in fees and \$6,360.69 in expenses, of which (i) the aggregate amount of \$55,351.27 is subject to holdback, and (ii) and the aggregate amount of \$227,765.77 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, \$276,756.35 in fees and \$6,360.69 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 June 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: July 30, 2024
New York, New York

OTTERBOURG P.C.

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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 04/01/2024 to 6/30/2024

FUND ACCOUNTING (See instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 04/01/2024):			\$ -
	<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	<i>Distribution Plan Development Expenses:</i>			
	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	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	\$ -		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisors.....	-		
	Tax Advisors.....	-		

STANDARDIZED FUND ACCOUNTING REPORT for LEGEND RECEIVERSHIP - Cash Basis
Receivership; Civil Court Docket No. 1:23-cv-05326-LAK
Reporting Period 04/01/2024 to 6/30/2024

	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	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	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	\$ -		
Line 12b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other:		\$ -	
	Total Funds Disbursed (Lines 9 - 11):		\$ -	
Line 13	Ending Balance (As of 06/30/24):			\$ -
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>	\$ -		
Line 14b	<i>Investments</i>	-		
Line 14c	<i>Other Assets or Uncleared Funds</i>	-		
	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.....	-	

STANDARDIZED FUND ACCOUNTING REPORT for LEGEND RECEIVERSHIP - Cash Basis
Receivership; Civil Court Docket No. 1:23-cv-05326-LAK
Reporting Period 04/01/2024 to 6/30/2024

	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	-		
	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 Tay 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: July 30, 2024