

As required by the Second Amended Order Appointing Receiver (the “Receiver Order”), entered on October 16, 2017 [Dkt. No. 276], within twenty (20) days of the end of each quarter, the Receiver shall file a quarterly status report containing the following information:

- A. A summary of the operations of the Receivership;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate (the “Receivership Estate”);
- C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A hereto), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and (ii) collecting such judgments);
- F. A summary of the status of the Receiver’s investigation of the transactions by and among the Receivership Entities;
- G. A list of all known investors and creditors and the amount of their investments and claims, as applicable, redacted to exclude personally identifiable information;
- H. The status of investor and creditor claims proceedings, after such proceedings have been commenced;

I. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations; and

J. Any other information that the Receiver reasonably deems appropriate to include in the report.

I. SUMMARY OF OPERATIONS OF THE RECEIVERSHIP

A. Appointment of Receiver

On December 19, 2016, the District Court entered an Order Appointing Receiver, [Dkt. Nos. 6 and 16], which appointed Bart Schwartz as receiver (the "Prior Receiver"). At the time of his appointment, the Prior Receiver was serving as a monitor for the Platinum Entities.

On June 23, 2017, after six months, the Prior Receiver resigned and, upon the recommendation of the SEC, by Order dated July 6, 2017, Melanie L. Cyganowski was appointed as Receiver, effective immediately (*i.e.*, July 6, 2017), and ordered to assume all authority previously held by the Prior Receiver. [Dkt. No. 216].

Under the terms of the Receiver Order, the Receiver is, among other things, required to preserve the *status quo*, ascertain the extent of commingling of funds, ascertain the true financial condition of the Platinum Entities, prevent further dissipation of property and assets of those entities, prevent the encumbrance or disposal of property or assets of the Platinum Entities, preserve the books, records, and documents of the Platinum Entities, be available to respond to investors' inquiries, protect investors' assets, conduct an orderly wind down, including a responsible disposition of assets and an orderly and fair distribution of those assets to investors, and determine whether one or more of the Receivership Entities should undertake bankruptcy filings.

Under the Receiver Order, the Receiver was granted the following general powers and duties:

(a) To use reasonable efforts to determine the nature, location and value of all property interests of the Receivership Entities, including, but not limited to, monies, funds, securities, credits, effects, goods, chattels, lands, premises, leases, claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly (“Receivership Property”);

(b) To take custody, control and possession of all Receivership Property and records relevant thereto from the Receivership Entities; to sue for and collect, recover, receive and take into possession from third parties all Receivership Property and records relevant thereto;

(c) To manage, control, operate and maintain the Receivership Entities and hold in the Receiver’s possession, custody and control all Receivership Property, pending further Order of this Court;

(d) To use Receivership Property for the benefit of the Receivership Estate, making payments and disbursements and incurring expenses as may be necessary or advisable in the ordinary course of business in discharging the Receiver’s duties as Receiver;

(e) To take any action which, prior to the entry of this Order, could have been taken by the officers, directors, managers, managing members, and general and limited partners, and agents of the Receivership Entities;

(f) To engage and employ persons in the Receiver’s discretion to assist the Receiver in carrying out the Receiver’s duties and responsibilities hereunder, including, but not limited to, accountants, attorneys, securities traders, registered representatives, financial or business advisers, liquidating agents, real estate agents, forensic experts, brokers, traders or auctioneers, subject to Court approval;

(g) To take such action as necessary and appropriate for the preservation of Receivership Property or to prevent the dissipation or concealment of Receivership Property;

(h) To issue subpoenas for documents and testimony consistent with the Federal Rules of Civil Procedure and Court orders;

(i) To investigate transactions by and among Receivership Entities, defendants, and any other persons and entities;

(j) To bring such legal actions based on law or equity in any state, federal, or foreign court as the Receiver deems necessary or appropriate in discharging the Receiver's duties as Receiver;

(k) To pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receivership Estate; and

(l) To take such other action as may be approved by the Court.

To assist her with her duties, the Receiver sought the retention of counsel and a financial advisor. To that end, on July 21, 2017, the Court approved the retention of Otterbourg P.C. ("Otterbourg") as legal counsel to the Receiver [Dkt. no. 231] and Goldin Associates LLC as her financial advisor [Dkt. no. 232] ("Goldin" and, together with Otterbourg, the "Receivership Team").

B. Analysis and Disposition of Receivership Assets

The opening investment portfolio consisted of 90 investments. A single investment may have multiple assets, some of which may be separately marketed and monetized. Thus, a purportedly "single" investment may actually be the equivalent of multiple investments when it comes to liquidating the underlying assets. The investments of the Platinum Entities are diverse, but generally fall into three main asset categories: (i) life settlement investments (*e.g.*,

investments in life insurance policies), (ii) litigation finance investments, and (iii) “other” assets, which vary greatly, although they have a significant concentration in the metals, mining and energy sectors. Most of the “other assets” are investments in companies that are in the developmental stages and have not yet had proven success, or have failed to achieve stated expectations and, thus, may have little or no value. In addition, the types of companies in which these investments were made range from pharmaceutical startups, to foreign “shell” companies, to a chain of small grocery stores in rural China, and, while many of the assets are in the metals, mining and energy sectors, each of these companies are located in different regions domestically and globally and have unique characteristics.

The nature of Platinum’s investment in each of the assets varies. For example, in some cases the Receivership Entities own a debt position, in others an equity position, and in others it may be a combination of the two. The debt holdings also vary from senior positions, subordinate positions or, in some cases, only a residual interest after the Receivership Entity sold a 100% participation in its debt holding. Depending upon the nature of the Receivership Entity’s holdings, it may be possible to sell the underlying business or a 100% equity interest in the business, while in other instances, it may only be possible to sell the Receivership Entity’s debt position or its share of the equity (which in many cases is not publicly traded and, therefore, there is no readily available platform for a sale).

As previously reported, many of the investments are problematic, have real or potential significant liabilities, and/or require additional cash investment for the underlying company (which were still in the developmental stages) to continue or resume operations. During the Reporting Period, and at this time, the Receiver was, and is, making expense payments that are necessary only to maintain or preserve the value of an asset, to protect collateral and/or to

stabilize operations, such as lease payments and premium payments on life insurance policies. As certain of these assets are sold, the liabilities have or will in the near term be substantially reduced. The Receiver continues to believe that, under the circumstances of the receivership, no asset warrants capital investment beyond what is necessary to preserve that asset. When possible, the Receiver has undertaken negotiations with other investors or stakeholders involved with an asset, including management, to infuse additional cash into the investment to preserve value until the asset can be sold, as well as to reduce ongoing expenditures.

To the extent possible, the Receiver has worked with other investors in the asset to maximize recovery for both parties. The Receivership Team also has had extensive interaction with the management teams of the underlying portfolio companies (when available and appropriate) and has received input from investors and Platinum's prior management regarding investments.

Receivership Team has sought to "triage" the various assets: first focusing on those assets that are relatively liquid, such as publicly traded stocks, life settlement investments and litigation finance investments; and then focusing on those assets that are less liquid, but nonetheless, with greater time and effort, can be marketed and hopefully liquidated.

To assist the Receiver with the monetization of the assets, she retained Houlihan Lokey Capital, Inc. ("Houlihan Lokey")² and Conway MacKenzie Capital Advisors, LLC ("Conway MacKenzie").³ Houlihan Lokey and Conway MacKenzie are each responsible for different assets, and there is no overlap in the work performed by each.

² The Court approved Houlihan Lokey's retention on November 11, 2017, *nunc pro tunc* to September 11, 2017, and issued a Memorandum Opinion regarding Houlihan Lokey's retention on November 21, 2017 (the "Houlihan Opinion"). [Dkt. No. 285].

³ Conway MacKenzie's retention was approved by the Court on November 11, 2017, *nunc pro tunc* to October 12, 2017. [Dkt. No. 280].

Because of Houlihan Lokey's areas of expertise, it was retained to market and sell specific assets including (i) the life settlements portfolio, (ii) the litigation finance portfolio,⁴ (iii) Abdala Tailings Project, (iv) LC Energy Operations LLP and (v) Urigen Pharmaceuticals, Inc.⁵ Houlihan was retained to market these assets because of their potential value to Platinum and Houlihan's experience in marketing assets of these types. As the Court acknowledged in the Houlihan Opinion, Houlihan Lokey was retained because of, among other reasons, its extensive experience with several hedge fund wind-downs, its experience with marketing illiquid assets across a broad spectrum of alternative investments, and its breadth of knowledge of potential investors to create a competitive environment to maximize recovery. *Houlihan Opinion* at 6.

The Receiver also retained Conway MacKenzie to provide due diligence and recommendations for disposition of certain of the remaining assets that are not being marketed by Houlihan. Conway MacKenzie was asked to focus its initial efforts on the following assets: (i) Buffalo Lake Advanced Biofuels, LLC, also known as "BLAB", (ii) Desert Hawk Gold Corp. (which was monetized during the Reporting Period) and (iii) Daybreak Oil and Gas, Inc. The Receiver has since identified additional investments for Conway MacKenzie to review and evaluate, including American Patriot Gold, Greentown Oil Company, Arabella Exploration, NordAq Energy, Xcell Energy and Decision Diagnostics Corp.

During the Reporting Period, the Receiver and the Receivership Team were mostly focused on preparing for and assisting with the launch of marketing efforts with respect to the sale of certain assets that the Receiver believed would generate significant interest and proceeds

⁴ The sale of the litigation financing portfolio has been completed.

⁵ Platinum's investment in Urigen Pharmaceuticals is not currently ripe for marketing as management has obtained third party financing to enable it to continue the required testing on the product that is still in the developmental stage. While the Receivership Team has periodic calls with management to discuss the status of the business and its finances, Houlihan is not currently marketing this investment.

for the Receivership Estate. Houlihan Lokey, with the assistance of the Receivership Team, launched to market two of the portfolio's assets (Abdala and the ALS life settlement portfolio) and prepared an additional asset for market (LC Energy). The proposed sale of the life settlement portfolio has been presented to the Court and is currently under consideration. The marketing process with respect to the Abdala gold tailings mine is continuing and monetization of that asset is possible during the current calendar quarter. The Receivership Team has also been actively working with Conway MacKenzie on the assets that it has been asked to review and market. The assets assigned to Conway MacKenzie for marketing tend to be assets that require unconventional disposition solutions and/or where information is limited or difficult to obtain. For example, Desert Hawk was sold to a consortium of current management and an investor group which management organized. Conway MacKenzie has been tasked with gaining a further understanding of the particular assets in its portfolio, including making site visits and engaging with the management teams of each, to present the Receiver with options for monetizing each asset. Certain of these assets have been monetized (Desert Hawk) or are close to being monetized (Daybreak).

During the Reporting Period, the Platinum Receivership received approximately \$468,000 from the sale of some of its assets. In addition, the Receiver executed purchase and sale agreements with respect to the ALS life settlement portfolio for an aggregate gross purchase price of approximately \$10.8 million; although Court approval is required to close the sale. Certain parties have filed papers in Court, in which they have asserted a claim to all or part of the proceeds. In addition, subsequent to seeking approval of the sale of the ALS life settlement portfolio, the Receiver learned that an insured under one of the policies to be sold has passed away. As a result, ALS is now entitled to retain the death benefits payable under the matured

policy (\$4,780,000) and the purchase price under the purchase agreement will be reduced by the amount of the purchase price attributable to such policy (\$2,721,000.00), for a net increase of proceeds to ALS of \$2,059,000.

The foregoing amounts are in addition to the approximately \$22.5 million received by the Platinum Receivership from the liquidation of certain other assets during the preceding two quarters since the Receiver was appointed. None of these assets has been marketed or sold in a “fire sale” fashion. The investments monetized during the Reporting Period and the proceeds received by the Receivership Estate were as follows:

- Desert Hawk: \$417,000
- Wintercrest: \$51,000 (sale of stock)

The Receiver cannot at this time ascribe values to each of the assets that have not yet been monetized. Unfortunately, many of the values ascribed to Platinum assets, whether by the Prior Receiver (defined below) or Platinum management, were based upon assumptions that derived from prior (now removed) management’s plans, which are now (and likely always were) unrealistic. The actual realized value of these investments may differ materially from the valuations determined by Platinum’s prior management and/or the Prior Receiver, and the underlying assets may suffer from significant liabilities that were not accounted for in prior valuations. In addition, as with the ALS life settlement portfolio, there may be parties asserting an interest, including an alleged secured interest, in some or all of the proceeds of the sale of assets, which assertions the Receiver will address and are intertwined with the Receiver’s forensics investigation. While the focus of the Receiver continues to be on selling the investments and ensuring a sound process for the marketing and disposition of the assets to

achieve the fair market value of such assets, the Receiver has also begun to investigate potential claims that the Receivership Estate may be able to assert.

C. Forensics Investigation

In addition to the monetization of assets, potential sources of recovery include claims on behalf of the Platinum Entities against possible liable parties. Goldin and Otterbourg have assembled a forensics team to begin to unravel the complicated series of transactions that occurred in the years prior to Platinum being placed into receivership and to trace the flow of funds. The Receiver has also been working collaboratively with the joint liquidators of the PPVA entities on potential claims, as well as joint assets held by the two estates.

During the Reporting Period, the Receivership Team prioritized the analysis of transactions involving Platinum and certain insurers, including Beechwood Re Ltd. and Beechwood Bermuda Ltd. ("Beechwood"), Senior Health Insurance Company of Pennsylvania and CNO Financial Group, Inc. These transactions, which are among the largest and most complex engaged in by Platinum, include the \$170 million sale to a Beechwood-related entity of a convertible note issued by Agera Energy LLC. In the period ahead, the Receivership Team will continue to assess the insurers' involvement with Platinum, whether through investments or borrowings, in an effort to understand the full scope of their involvement with the Receivership Entities.

In addition, the Receivership Team continues to investigate certain pre-receivership activities to determine whether causes of action exist against, among others, valuation agents, fund administrators, auditors, legal advisors and other professional firms. To take but one example, during the Reporting Period, the Receivership Team identified the largest PPCO investments and commenced a review of the pertinent valuations prepared for them by third

party advisors. This review, which is ongoing, involves identifying, gathering and analyzing information relied upon by the advisors, and assessing the reasonableness of the methodologies used in connection with the valuations. Inquiries like these seek to facilitate the Receiver's assessment of whether the Receivership Estate has actionable claims against any persons or parties who putatively provided professional services to Platinum. During the Reporting Period, the Receiver began to issue subpoenas to certain parties and it is anticipated that additional subpoenas will be issued this quarter. For certain claims in which a statute of limitations may be approaching, the Receiver has, and will continue to, reach out to the potential target to enter into tolling agreements to allow the Receivership Team the appropriate time to investigate potential claims.

At the heart of the analysis will be a determination of the cost/benefit of asserting claims. Investigations and litigation are costly endeavors and the Receiver does not intend to expend estate assets unless there is comfort that she has the necessary facts and information to assert a meritorious claim and that there is a likelihood of recovery funds if liability is eventually found.

D. Administrative Matters

In addition to focusing on the liquidation of assets and the forensics investigation, the Receiver and the Receivership Team also undertook several administrative matters intended to reduce overhead, maintain or enhance a particular investment, were necessary for the effective running of the Receivership Estate, or were needed to protect the interests of the estate.

The Receiver and the Receivership Team continued to meet with various interested parties and groups during the Reporting Period, including the joint liquidators for Platinum Partners Value Arbitrage Fund L.P. (together with its feeder funds, "PPVA")⁶, counsel for the

⁶ PPVA is the subject of an insolvency proceeding pending in the Cayman Islands.

Defendants (defined below), investors and their representatives, equity holders in specific investment vehicles in which Platinum is the majority holder, and the SEC. The Receiver also held a second “town hall” style meeting with investors and other interested parties via webinar and telephone to provide an update on the actions taken to date and to answer questions, and has committed to holding similar forums going forward. The Receiver updates the Receiver’s website with key documents, answers to frequently asked questions, and status reports to investors. The Receiver and the Receivership Team also meet in person or by telephone with investors and/or their representatives upon request.

The Receivership Team worked with Platinum’s Chief Financial Officer, who has dedicated significant time to working with Deloitte Tax LLP, in connection with the preparation of Platinum’s local, state and federal tax returns, including seeking extensions of time to file Platinum’s 2017 returns and requesting (and receiving) tax abatements for late filing penalties. The Receiver and the Receivership Team have attempted to respond to investor inquiries and continue to regularly respond and react to such inquiries and requests for information.

Many of the Platinum investments are subject to their own bankruptcy proceedings or are involved in other court proceedings around the world. During the Reporting Period, the Receivership Team dedicated substantial time to monitoring such proceedings, either directly or through local counsel, and, when necessary, preparing pleadings to file in such proceedings.

(a) **Website and Investor Communications.** The Receiver previously created the Receiver’s website (PlatinumReceivership.com). This website provides investors and other interested parties with, among other things, periodic status reports, access to court documents and answers to frequently asked questions. Time was also devoted by the Receiver to revising the website to add or update the “Frequently Asked Questions” section of the website and to add

“key documents.” The Receiver prepared and updated a letter to investors, which was posted on the website. The Receiver also established a mechanism on the website to allow interested parties to sign up to receive daily notices whenever there are new filings on the docket. The Receiver and/or the Receivership Team have also held numerous meetings and/or teleconferences with various investors and Defendants at their request.

The Receiver also organized and held a second “Town Hall” style webinar and telephone conference on March 1, 2018 to provide an update to investors and to answer questions submitted by investors. The Receiver received positive feedback from this webinar and intends to continue to hold them periodically going forward. The videos of the Prior Town Halls are available through the website (www.platinumreceivership.com). The Receiver and members of the Receivership Team periodically speak with the representatives of certain of the larger group of investors to discuss the monetization efforts and the claims process.

(b) **SEC Meetings.** The Receiver also regularly communicated via telephone and e-mails with the SEC staff to keep them apprised of ongoing matters and to alert them to potential retentions and filings by the Receivers.

(c) **PPVA.** The Receiver and the Receivership Team had regular teleconferences and at least one in-person meeting at the Receiver’s offices with the Joint Liquidators for the PPVA Master Fund and the PPVA Feeder Fund. The Receiver and the Receivership also participate in asset-specific teleconferences with the joint liquidators or their professionals to discuss the liquidation or analysis of assets that are jointly held by PPVA and Platinum. The Receiver is continuing to discuss procedures to share with the liquidators non-privileged documents that are maintained on the Platinum servers controlled by the Receiver.

(d) **Claims Process.** As described later in this Report, the Receiver has not yet initiated a formal claims bar date or process. However, the Receivership Team spent time during the Reporting Period analyzing issues relating to the claims process, which will help inform the forms that may be used and how best to have creditors and investors assert claims. The Receivership Team is currently evaluating the information that it has with respect to investor and creditor claims, which will also help with determinations regarding how different claims will be treated.

(e) **Taxes.** During the Reporting Period, members of the Receivership Team and Platinum's Chief Financial Officer worked with Deloitte Tax LLP to monitor its efforts to prepare local, state and federal tax returns. Preparation of PPCO and PPLO's 2017 tax returns is currently in process. The Receiver anticipates mailing draft K-1s to investors by the end of May 2018 and filing the returns with the appropriate government authorities shortly thereafter. The commencement of the receivership, the subsequent change in receivers and the exigent circumstances at the inception of the receivership caused a delay in the filing of Platinum's 2016 tax returns. This resulted in the assessment of penalties for late filing by the various federal, state and local tax authorities. Through the efforts of Platinum's Chief Financial Officer and Deloitte Tax LLP, the Receiver has successfully received abatement of penalties totaling approximately \$220,000. The Receiver and her team are continuing to work with the various tax authorities to ensure abatement of all penalties received due to late filing.

(f) **Employees.** Since the Receiver's appointment, the number of employees has been reduced from thirteen to four. There are currently two remaining portfolio managers, the Chief Financial Officer and the General Counsel. The director of information technology was transitioned to an independent consultancy at a lower cost to the Receivership Estate, while

maintaining the same level of service. The Receiver believes that these overhead costs will continue to decrease. During the Reporting Period, the Receiver spent time addressing certain remaining issues regarding the separation agreements and employee benefits. In addition, the Receiver addressed issues relating to requests for documents made to former employees in their capacities as employees of Platinum. The Receiver has taken the position that such documents are the property of Platinum.

(g) **Defendants.** The Receiver and her counsel spent time during the Reporting Period meeting with counsel for the Defendants to discuss a variety of issues, including the status of certain asset sales and the Defendants' indemnification requests. The Receivership Team monitored the criminal proceedings and the state court proceedings in which the Defendants were seeking access to the additional insurance coverage. At present, the lower tiers of insurers are required to advance legal costs to the Defendants once the senior tiers have been exhausted.

(h) **Cayman Funds.** At the end of 2017, three Platinum funds organized under the laws of the Cayman Islands were added to the Receivership Estate. The Receivership Team spent time during the Reporting Period speaking with local counsel and responding to issues regarding the status of the registration of the Cayman funds. The Receiver is in the process of preparing the necessary forms to appoint new directors and designate a registered office to be in compliance with Cayman corporate regulations.

(i) **Receiver Oversight.** Time during the Reporting Period was also devoted to the general oversight of the Platinum Entities and the Receivership Estate. Conferences with the Receiver and members of the Receivership Team occurred on a daily basis to facilitate the exchange of relevant information and to avoid duplication of effort. The Receiver maintained direct oversight over all the legal and financially-related work being done by her Receivership

Team. Otterbourg attorneys assisted the Receiver, along with assistance from internal management and Goldin in analyzing budget, cash management and forensic accounting issues.

II. CASH, EXPENSES, AND UNENCUMBERED ASSETS

A schedule summarizing cash receipts and disbursements, as well as cash on hand for the Reporting Period, is set forth in the Schedule of Receipts and Disbursements attached hereto as **Exhibit A**.

As of March 31, 2018, the Receivership Entities had \$7.2 million in funds, of which \$5.4 million was held in cash in bank accounts and \$1.8 million was held in brokerage accounts. These funds include proceeds from the liquidation of assets. Certain parties claiming an interest in particular assets sold have asserted claims to a portion of the sale proceeds of the particular assets sold (as opposed to a general claim against the Receivership Estate). Other parties have presented documentation purporting to grant them security interests in all or certain of Platinum's assets. These claims will be addressed in due course.

Cash disbursements during the Third Application Period totaled approximately \$5.1 million, consisting primarily of (i) \$1.9 million in disbursements to retained professionals and the Receiver; (ii) \$478,000 in business asset expenses (payroll and related expenses paid to Platinum employees and rent); and (iii) \$2.75 million in investment-related expenses, which include funds disbursed to preserve the value of the following assets: ALS life settlement portfolio (\$1.8 million), LC Energy (\$665,000) and Abdala Gold (\$305,000).

It is estimated that, as of March 31, 2018, unpaid administrative expenses amount to approximately \$3.0 million. This amount includes the estimated fees and expenses that have been incurred by the Receiver, Otterbourg and Goldin during the Reporting Period and will be subject to an interim fee application to be filed in the next month, holdbacks for prior applications of the Receiver, Otterbourg and Goldin, holdbacks to the Prior Receiver's counsel

(Cooley) with respect to its interim fee application, and fees and expenses of other professionals retained by the Receiver or the Prior Receiver.

Cash receipts during the Reporting Period totaled approximately \$468,000. This amount primarily consists of proceeds derived from dispositions associated with the following investment positions: Desert Hawk (\$417,000) and Wintercrest (\$51,000).

III. RECEIVERSHIP PROPERTY

As of March 31, 2018, the primary assets of the Receivership Estate consisted of the following:

- (i) Cash and cash equivalents of approximately \$7.2 million⁷;
- (ii) Real estate investments without any set book value, due to their inherently speculative nature; and
- (iii) Investments in natural resources, litigation financing, life settlement investments, energy and other miscellaneous investments.

A list of Receivership Property – namely each asset of the PPCO and PPLO entities – is attached hereto as **Exhibit B**.

The Receiver cannot at this time ascribe values to each of the investments. Unfortunately, many of the values ascribed to Platinum investments, whether by the Prior Receiver or Platinum management, were based upon assumptions that derived from prior (now removed) management's plans, which are now (and likely always were) unrealistic, in light of the receivership's current liquidity challenges, and/or can otherwise no longer be supported. The actual realized value of these investments may differ materially from the valuations determined by Platinum's prior management and/or the Prior Receiver, and the underlying assets may suffer from significant liabilities that were not accounted for in prior valuations. The Receiver is

⁷ Of this amount \$5.4 million was held in cash bank accounts and \$1.8 million was held in brokerage accounts.

committed to ensuring a sound process for the marketing and disposition of assets to achieve the fair market value of the assets.

Many of the investments made by Platinum were investments in enterprises that are still in the developmental stage, have no established market value (with any future value being highly speculative) and, in some instances, require significant additional capital investment to even have the possibility of realizing a return on such investment. As such, the prior valuations were often based on assumptions that Platinum would invest significant additional capital in the assets with the hope that such investments would pay dividends in the long term future. As the Court stated in the Houlihan Opinion, “[t]he Receiver is not tasked with making speculative investments. Instead, she is entrusted with the responsibility to prudently wind-down the Receiver Entities and dispose of the Receivership Assets in a manner that safely returns to stakeholders what value can be salvaged. She is not empowered to jeopardize that return by indulging in risky investment opportunities with the very money she has been charged to return to the victims of alleged years’ long fraudulent conspiracies.” *Houlihan Opinion* at 8.

Decisions regarding the monetization of investments necessarily will entail an understanding of the interplay between future expenses (*i.e.*, cost to the estate to maintain the asset) and the time it will take to market and obtain a purchaser for the investment. The Receiver’s goal is to monetize and sell the investments in a manner that balances the interests of being judicious with the assets of the estate, maximizing value and expeditiously disposing of the assets to allow the Receiver to make distributions to investors and creditors and close the case.

As we dig deeper into certain of these assets, we are finding that some investments may have little to no value. An example of the types of issues the Receiver is uncovering with respect to some of the assets is Platinum’s investment in Cleveland Mining. The Cleveland Mining

investment is described in further detail below, but stated succinctly, it now appears likely that based upon an independent review of Cleveland Mining's financial position by a financial firm retained by the Receiver, Platinum's \$15.6 million secured note and 29.3 million shares of stock will realize no return to Platinum. (See further discussion at pp. 28-29.) Cleveland Mining is but one example of an investment in a company that has failed to come close to stated expectations and for which the investment in such company is likely worthless.

In the performance of her duties, the Receiver has also sought input from investors and prior management regarding certain of the investments. While the Receiver has made, and will continue to make, all decisions regarding the liquidation of the Receivership Entities' assets, and has made and will make informed decisions regarding each asset, the Receiver has elicited the input from others with knowledge of the asset and/or who have a stake in its disposition. Of course, all decisions are ultimately those of the Receiver.

The Receiver has focused on a myriad of investments during the Reporting Period. Below is an overview of certain of the investments in which the Receiver and the Receivership Team have dedicated significant time. The below summaries include a brief description of the nature of the investment, work performed, and status during the Reporting Period.

(b) **Abdala** – refers to PPCO's interests in (through a subsidiary, West Ventures LLC) a tailings dam of the Abdala Mining gold mine located near Cuiaba, Brazil. PPCO's interests have been the subject of litigation and negotiation with multiple parties-in-interest, including the owner of the mine itself, as well as the landlord and primary tenant of a nearby parcel on which a processing facility for the tailings is to be constructed. The project is now in the permitting stage. This investment is within the portfolio of investments that Houlihan Lokey has been engaged to market and sell. Houlihan Lokey launched the marketing process for this

asset on December 13, 2017, a data room for interested parties that have signed a Non-Disclosure Agreement (“NDA”) was opened, initial bids were received and site visits were made by certain prospective purchasers. During the Reporting Period, Houlihan Lokey has followed up with interested parties and Houlihan Lokey and the Receivership Team facilitated additional due diligence to enable interested parties to finalize their initial bids. The Receiver is hopeful that these will be final bids and selection of the winning bidder will occur during the current calendar quarter.

Since the Receiver’s appointment, the Receiver and the Receivership Team have spent significant time analyzing the legal, financial, regulatory and business issues relating to this project. During the Reporting Period, the focus was on the continuing marketing and disposition process. The Receivership Team worked with Houlihan Lokey to position the asset for sale, responded to due diligence inquiries, prepared the form of Purchase, Sale and Royalty Agreement to be marked up as part of the final bids, evaluated the initial bids and determined next steps. The second round of potential bidders requested a site visit in furtherance of their due diligence on the project and prior to submission of a final bid. Houlihan Lokey and the Platinum project manager on Abdala were on-site in Brazil for a few days in March to facilitate individual site visits for each of the interested parties. In addition, the Receivership Team worked with the landlord of the project with respect to issues relating to the lease and had frequent communications with local Brazilian counsel, management and Houlihan Lokey. The Receiver and the Receivership Team also have had meetings and telephone calls with the second round of potential bidders and their representatives to discuss the process for liquidating this asset. The Receivership Team has made every effort to keep the lines of communication open with the investors at each stage of the marketing and sale process.

(c) **Agera** – refers to Agera Energy LLC and Agera Holdings, LLC. Agera is a retail energy service company. In June 2016, prior to the receivership, Principal Growth Strategy, LLC (“**PGS**”), which is owned 55% by PPVA and 45% by PPCO, sold a portion of its interests in Agera to certain entities affiliated and/or associated with Beechwood Re Investments LLC (“**Beechwood**”).

During the Reporting Period, the Receiver continued to analyze the legal and business issues relating to this transaction, with a focus on understanding the remaining value in PGS’ positions with Agera, and determining the specific nature of the various transactions between and among, PPCO, PPVA, Beechwood, PGS and Agera. The Receiver and the Receivership Team had multiple conference calls and in-person conferences with PPVA and the forensics analysts at Goldin. The Receivership Team also reviewed the information known to date with respect to this transaction, including the relationship between and among the parties, the flow of cash, and an analysis of Beechwood’s activities with respect to this investment. This review is relevant to the Receiver’s ongoing forensics investigation.

(d) **ALS** – refers to a portfolio of life settlement investments owned through an entity in which PPCO is the majority owner and managing member.

On March 23, 2018, the Receiver filed a motion for entry of an order approving the sale of certain life insurance policies in which Platinum has a majority ownership interest [Dkt. No. 311] (the “**ALS Sale Motion**”). At the onset of the receivership, Platinum indirectly held a portfolio of life insurance policies (the “**Policies**” or the “**Portfolio**”), some of which were sold by the Prior Receiver. Upon the Receiver’s appointment, she began taking steps to market and to sell the remaining Policies. The Portfolio which the Receiver is currently seeking to sell is comprised of twenty (20) separate Policies on fifteen (15) separate insureds. Other than

interests in one (1) policy that is the subject of a dispute with the insurer, the Policies sought to be sold are all of the remaining Policies in which Platinum has an indirect majority interest. Houlihan Lokey conducted a robust marketing process during the Reporting Period. Unfortunately, many of the Policies in the Portfolio were beset by characteristics which typically drive away bidders and/or lower prices, including unfavorable jurisdictional clauses, incomplete origination documentation and unfavorable life expectancy information. The Receivership Team dedicated significant time to improving the marketability of the Portfolio, including considerable efforts to compel the non-compliant insureds to become compliant by providing updated medical information.

At the conclusion of the marketing process, the Receiver received seven (7) bids of varying amounts for various components of the Portfolio. After reviewing the bids, the Receiver determined that the optimum value for the Portfolio will be achieved through the implementation of the sale for which the Receiver seeks Court-approval, consisting of a “mosaic” of two separate purchases of “sub-portfolios,” for an aggregate gross purchase price of \$10,785,950. The ALS Sale Motion is currently pending before the Court. Since filing the ALS Sale Motion, one of the Policies to be sold to BroadRiver matured. Pursuant to the PSA with BroadRiver, ALS is entitled to receive the death benefits if a Policy matures prior to closing the sale (which cannot occur prior to Court approval), with aggregate purchase price reduced by the amount of the purchase price allocated to such policy. As a result, ALS will receive a net death benefit of \$4,780,000 from the matured policy and the purchase price under the PSA will be reduced by \$2,721,000, for a net increase of gross proceeds to ALS of \$2,059,000. Hence, ALS should be receiving proceeds from the sale (if approved) and the maturity in the aggregate

amount of \$12,844,950, from which Houlihan Lokey's transaction fee in the amount of \$750,000 will be deducted and paid at closing.

If the ALS Sale Motion is approved, in addition to the sale proceeds and recent maturity, the Receiver will save the estate ongoing monthly expenses of approximately \$575,000 with respect to the monthly premiums that are required to be paid on the Policies. The Receiver also intends to cause ALS to make a preliminary reimbursement to PPCO of \$7,478,000 for the life insurance premiums it paid on behalf of ALS during the receivership to keep the policies in effect and thereby maintain the value of ALS's assets. The payment to the Receivership Estate will be made directly from the net sale proceeds, with the balance of such net sale proceeds kept in the ALS bank account pending a decision by the Receiver, as manager of ALS, to make further distributions or use of the sale proceeds in accordance with the terms of the ALS Operating Agreement.

During the Reporting Period, the Receivership Team prepared the form of Purchase and Sale Agreement, a markup of which was required to be submitted with final bids, and then negotiated the final Purchase and Sale Agreements with each winning bidder. Also during the Reporting Period, the Receivership Team worked diligently with Houlihan Lokey and the third party administrator of the life settlement policies to reach out to each of the insureds to bring the files up to date, to enhance the value of the Portfolio. Otterbourg communicated with each of the insureds regarding their obligations under the purchase agreements by which ALS came to own the policies and had follow-up communications with the insureds or their representatives. The Receivership Team had conference calls and in person meetings with the minority members of ALS and is also addressing responses raised by other parties purporting to have an interest in the Policies and/or the proceeds.

(e) **American Patriot Gold** – refers to Platinum’s ownership interest in an idled gold mining company in Southwest Colorado. The Receivership Team is conducting due diligence to determine the nature of Platinum’s ownership interest in American Patriot Gold. During the Reporting Period, the Receiver worked to ascertain its ownership interest to enable Conway MacKenzie to market and monetize such interest in the near term.

(f) **Arabella** – refers to three entities each containing Arabella in their names. In 2014, Platinum (PPCO) made a \$16 million loan to Arabella Exploration, Inc. (“AEI”) pursuant to a \$45 million dollar facility, *i.e.*, the Loan. The Loan was secured by all of AEI’s assets, and was guaranteed and secured by the assets of AEI’s subsidiaries, Arabella Exploration, LLC (“AEX”) and Arabella Operating, LLC (“AO” and, together with AEX and AEI, “Arabella”). Arabella is involved in the ownership and operation of certain oil and gas properties in the Permian and Delaware Basins in Texas. AEX and AO are debtors in bankruptcy proceedings in the U.S. Bankruptcy Court for the Northern District of Texas and a liquidation proceeding in the Cayman Islands (which has been recognized in a Chapter 15 case pending in the Northern District of Texas). Platinum filed claims in Arabella’s bankruptcy proceedings in an amount of \$20,061,589. Pre- Receivership, a related Arabella entity in which Platinum does not have an interest – Arabella Petroleum Corporation (“APC”) – commenced an action against the Arabella Entities asserting claims for the recovery of certain assets that are the subject of PPCO’s liens. APC is also a debtor in a bankruptcy proceeding pending in the Western District of Texas. The Prior Receiver entered into a settlement agreement with the Trustee of APC, settling the claims and agreeing to the interests of each estate in the combined assets that are to be sold in the respective bankruptcy cases. The Arabella Settlement Agreement was approved by this Court.

During the Reporting Period, the Receiver analyzed the issues with respect to an adversary proceeding commenced by Founders Oil & Gas III, LLC and Founders Oil & Gas Operating, LLC (collectively “Founders”), which is attempting to seize revenues from six oil and gas wells through what Arabella asserts is a misapplication of two joint operating agreements. The issues with Founders have delayed the sale of the Arabella assets. The parties mediated the issues during the fourth quarter of 2017, but mediation failed to bring about a resolution. Following the failure of the mediation, the Receiver discussed with AEX management and its counsel the next steps to prepare for litigation with Founders. Founders has recently agreed to arbitrate the issue instead of going to trial, which will save the AEX estate additional litigation expenses and, more importantly, bring the issue with Founders to a conclusion so that AEX can then proceed to sell its assets.

During the Reporting Period, the Receiver and the Receivership Team met in person with the Trustee for APC and his professionals, and the Chief Restructuring Officer of AEX and his professionals. The purpose of this “summit” was to discuss certain issues of mutual interest between the estates and to work cooperatively to maximize value for both estates. The Receivership Team has had regular status conferences with the APC and AEX estates and the Receiver frequently communicates with the Trustee for the APC estate. The Receiver and the Receivership Team regularly communicate with Arabella’s retained professionals, including its Chief Restructuring Officer, bankruptcy counsel, litigation counsel and the broker retained to market and sell the Arabella assets. Conway MacKenzie has been assisting the Receiver with the evaluation and execution of monetization alternatives related to PPCO’s interests in Arabella and to be the Receiver’s “point person” in Texas. The ultimate recovery with respect to the Arabella Loan can be impacted by many different factors, including the Founders litigation, an alleged

“first out” participation claimed by certain professionals who represented Platinum in connection with Arabella, as well as the participation agreement entered into by the Prior Receiver.

(g) **Black Elk** - refers to Black Elk Energy Offshore Operations LLC, in which PPCO and certain affiliates hold interests at different levels of the Black Elk capital structure. This is the investment that specifically contributed to the filing of this SEC action in which the Platinum Entities and other individual defendants were accused of defrauding Black Elk and its investors. Black Elk is a debtor in a bankruptcy case pending in the United States Bankruptcy Court for the Southern District of Texas. The Prior Receiver negotiated a settlement agreement with the Trustee of Black Elk (the “**Black Elk Settlement Agreement**”), pursuant to which, among other things, the Black Elk Trustee was given an allowed claim against PPCO. The Black Elk Settlement Agreement also provides that if another entity – Platinum Liquid Opportunity Master Fund, L.P., a Cayman Islands limited partnership (“**PPLO Master Fund**”), that at the time of the Black Elk Settlement Agreement was not a Receivership Entity -- subsequently becomes a Receivership Entity, then the Black Elk Trustee would have an additional claim in the Receivership Estate with respect to the PPLO Master Fund and the litigation by the Black Elk Trustee against the PPLO Master Fund will be dismissed.

The PPLO Master Fund was added as a Receivership Entity at the end of 2017. During the Reporting Period, the Receiver discussed with the Black Elk Trustee amending the Black Elk Settlement Agreement, now that the PPLO Master Fund is a Receivership Entity, to extend certain timelines relevant to the PPLO Master Fund so that the Black Elk Settlement Agreement would be applicable to the PPLO Master Fund as contemplated by the parties.

(h) **Buffalo Lake Advanced Biofuels (a/k/a BLAB)** - refers to a shuttered ethanol plant located in Buffalo Lake, Minnesota in which PPCO holds a debt and equity interest. There

are multiple legal, financial, regulatory and business issues relating to this investment that required attention so that the Receiver could seek to market the asset.

During the Reporting Period, Conway MacKenzie has actively marketed the BLAB assets for sale, including evaluating relevant strategic alternatives and determining, based upon the level of interest received in response to marketing efforts, the disposition option that will maximize recovery to Platinum (*e.g.*, sale of business or liquidation of assets). Conway MacKenzie is currently working parallel tracks – speaking to brokers for the potential sale of the real estate and equipment and speaking with parties who may have an interest in the plant as a whole for alternative uses. The Receiver expects to make a determination regarding which path to pursue in the near term and execute on such strategy thereafter.

(i) **China Horizons/Yellow River** – refers to PPCO’s equity and debt interests in two companies -- China Horizon and Yellow River—created to build a chain of convenience stores in rural China. The promissory note held by PPCO has a face value of approximately \$9.0 million and PPCO holds approximately 6.5 million share of stock in Yellow River Stock. China Horizon was originally a joint venture with another company, China Post. China Post subsequently pulled out of the joint venture and China Horizon transferred its intellectual property to another company—Yellow River—in exchange for equity in Yellow River. Subsequent to the transfer, China Horizon received approximately \$15 million from China Post as proceeds of the settlement of a dispute between them. PPVA also holds debt and equity in China Horizon and Yellow River. The promissory notes from China Horizon are not yet due.

During the Reporting Period, the Receiver and the Receivership Team continued to explore options for obtaining an early repayment of the notes from China Horizon and liquidating PPCO’s and PPVA’s equity interests in Yellow River. The Receiver and the PPVA

received an expression of interest from an investor based in China to purchase their collective interests in the China Horizon notes and the Yellow River equity position. The Receiver and PPVA are analyzing the offer and expect to make a counteroffer.

(j) **Cleveland Mining** – refers to Cleveland Mining Company Limited (“Cleveland Mining”), a publicly listed company located in Australia, and its subsidiary Cleveland Iron Holdings Pty Ltd (“Iron Holdings”). PPCO and Platinum Long Term Growth VII LLC are owed approximately \$15.6 million, which is secured by a first priority security interest in all of Cleveland Mining’s and Iron Holdings assets. PPCO also holds approximately 29.3 million shares of Cleveland Mining and approximately 50% of the equity of Iron Holdings. Cleveland Mining has a 50% joint venture interest in a gold mine located in Brazil, which is currently not operating and is the subject of litigation in Brazil.

Since the Receiver’s appointment, the Receivership Team has spent significant time analyzing the legal, financial and business issues relating to this investment. In addition, the management of Cleveland Mining has been litigious and has issued several demands addressed to the Receiver, including a challenge to PPCO’s filed security interests in Australia, which have required responses. The Receiver retained local counsel in Perth, Australia to assist in addressing the issues raised by Cleveland Mining. During the Reporting Period, the Receiver engaged a financial firm located in Australia to work directly with Cleveland in order to evaluate its current financial position and to determine the value (if any) of its assets. Based on the findings and recommendations of the Australian professionals, who have met with the management of Cleveland, the assessment is that there is little to no value in the Cleveland Mining assets. At this stage, Platinum is not prepared to invest any additional resources into this investment and the receivership estate is unlikely to realize any recovery on this asset.

(k) **Daybreak** - refers to a publicly held oil and gas company with assets in the San Joaquin Valley in California and in Montcalm County, Michigan. PPCO owns 99% of the membership interests and is the managing member of Maximilian Resources LLC (“Maximilian”), which is owed approximately \$9.2 million from Daybreak on account of a senior loan, secured by Daybreak’s interest in two joint ventures via a senior secured real property mortgage. Conway MacKenzie has been asked to review this asset and provide the Receiver with disposition options.

During the Reporting Period, Conway MacKenzie marketed the Daybreak assets. Both the California and Michigan assets are being actively marketed, a virtual data room has been created and interested parties have been provided access to conduct due diligence. The Receiver expects to receive and review offers, and close a sale of some or all of the assets during the current calendar quarter. It is likely that a sale of the Michigan assets will occur prior to the sale of the California assets.

(l) **Desert Hawk** – refers to Desert Hawk Gold Corp. (“Desert Hawk”), a publicly reporting gold mining company. PPCO held secured third-priority debt in Desert Hawk and owned securities convertible into 20% of the common equity of the company. Desert Hawk owns a pilot stage gold mine located in Gold Hill, Utah. This was a joint asset held with PPVA.

During the Reporting Period, the Receiver entered into an Assignment and Assumption Agreement for the sale of both PPCO’s and PPVA’s interests in Desert Hawk for \$625,000. PPCO’s share of the purchase price was \$416,667. As a result of this sale, PPCO no longer has an interest in the Desert Hawk asset. In connection with the sale of this asset, during the Reporting Period, Otterbourg negotiated the term sheet, prepared and negotiated the Assignment and Assumption Agreement, prepared a bill of sale, and finalized the closing

documents and closed the sale. The Receivership Team worked closely with Conway MacKenzie, which was tasked with selling this asset, as well as the management team.

(m) **Greentown Oil Company** – refers to an investment in a company holding certain oil and gas assets located in the Paradox Basin in the state of Utah. Through Maximilian, PPCO holds a debt and equity interest in the company.

During the Reporting Period, the Receivership Team continued to work with Conway MacKenzie to better understand the complex legal, financial, regulatory and business issues relating to this investment. In connection therewith, the Receivership Team commenced an investigation into the receipt of certain insurance proceeds by a Greentown related entity which the Receiver believes were assigned to Maximilian Resources, a PPCO owned entity, responded to a complaint filed by Pacific in the U.S. District Court for the District of Nevada (Pacific Energy & Mining Company v. Maximilian Resources LLC, Case No. 17-cv-00363 (HDM)(VPC)) (the “Litigation”). The Receiver filed a motion to dismiss the Litigation on the grounds that, among other things, its filing violated the Receivership Order. That motion is now fully briefed. The Receivership Team and Conway MacKenzie continue to explore disposition options. The Receiver is also exploring options available to Platinum pursuant to an indemnity agreement and guaranty agreement executed in connection with the original loan and security agreement and the subsequent loan modification agreement. During the Reporting Period, the Receiver prepared the motion to dismiss, as well as reviewed the transaction documents to determine legal rights and remedies that could be pursued

(n) **LC Energy** – refers to LC Energy Holdings, LLC, the owner of the Goldstar Coal Mine in Green County, Indiana, which is wholly owned by PPCO. PPCO acquired its ownership interest in the mine in March 2014 in the bankruptcy case of In re Lily Group, Inc.,

Case No. 13-81073 (Bankr. S.D. Ind.). Following its acquisition of the mine, PPCO retained a third party mining contractor to assist it in putting the mine back into production. Through a combination of mismanagement and a downturn in coal prices, the mine did reach cash flow breakeven, the contract miner was terminated, and the mine idled. A new mine operator has subsequently been retained who now oversees environmental remediation and mine security.

Since the Receiver's appointment, the Receivership Team analyzed the legal, financial, regulatory and business issues relating to this investment and analyzing potential liabilities and options for disposition of the asset. The Receiver is considering all options and, to that end, the Receivership Team has had multiple conversations with the mine operator regarding the mine and potential disposition. The Receivership Team has been working with Houlihan Lokey in preparation of launching the marketing of this asset during the current calendar quarter. The Receivership Team has also worked with the Receiver's local counsel reviewing purported residual claims and liens on the assets to determine their validity and quantify the amount of such residual claims. During the Reporting Period, the Receivership Team renegotiated the terms of the lease and obtained a bond for the mine. Consequently, the Receiver has expended cash to maintain the value of the asset until it can be monetized. During the Reporting Period, a total of \$665,000 was expended to maintain this asset.

(o) **PEDEVCO Corp., d/b/a Pacific Energy Development** – refers to a publicly-traded energy company engaged in the acquisition and development of strategic, high growth energy projects, including shale oil and gas assets, in the United States. Platinum's interest in PEDEVCO is through its 45% ownership in PGS, which owns a loan receivable from PEDEVCO.

PEDEVCO has been experiencing significant operational issues, which impact the ability to service its debt and place into question the value, if any, of the equity. The Receiver and PPVA have received an offer to purchase their interests in this asset at a considerable discount. The Receiver and the PPVA are considering this offer.

(p) **Pro Player** – refers to a Platinum entity that made loans to professional athletes, often at the beginning of their careers. A portfolio of these loans still has overdue outstanding balances owed to Pro Player by these athletes.

During the Reporting Period, the Receiver continued to investigate the potential for pursuing collection of the outstanding loan balances. The Receivership Team analyzed the loan documents and loan recipients, including current financial situation and wherewithal to repay the loans. The Receiver also prepared and delivered demand letters seeking to recover on the outstanding loans.

(q) **Rolling Acres of Stamford** – refers to a \$200,000 participation held by PPCO in a \$3.2 million loan that was used to acquire a 4.4 acre plot of land in Stamford, Connecticut. The PPCO participation is in a senior tranche of the loan. The acreage was intended to be used for a housing development. To date, only a few houses have been built on the plot of land. Interest in the development has been minimal and the remainder of the land has not been developed (and may not be developed). Given the limited worth of this investment, the Receiver is actively seeking to sell Platinum's participation at a discounted rate.

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

The Receiver has not commenced any litigation or asserted any claims against third parties. Accordingly, the Receivership Estate has not received any litigation recoveries and, therefore, does not have any liquidated claims, nor does the Receivership Estate currently have

any unliquidated asserted claims. The Receiver and her team, however, have begun to review and analyze potential causes of action against a number of parties.

As stated in the introduction to this Report, the Receivership Team is currently analyzing transactions involving Platinum and certain insurers, including Beechwood, Senior Health Insurance Company of Pennsylvania and CNO Financial Group, Inc. These transactions, which are among the largest and most complex engaged in by Platinum, include the \$170 million sale to a Beechwood-related entity of a convertible note issued by Agera Energy LLC. In the period ahead, the Receivership Team will continue to assess the insurers' involvement with Platinum, whether through investments or borrowings, in an effort to understand the full scope of their involvement with the Receivership Entities.

Simultaneously with this investigation, the Receivership Team continues to investigate certain pre-receivership activities to determine whether causes of action exist against, among others, valuation agents, fund administrators, auditors, legal advisors and other professional firms. The Receiver began during the Reporting Period to issue subpoenas to certain parties and it is anticipated that additional subpoenas will be issued this quarter. For certain claims in which a statute of limitations may be approaching, the Receiver has, and will continue to reach out to the potential target to enter into tolling agreements to allow the receivership team the appropriate time to investigate potential claims and, if necessary, commence action(s) against those parties who have declined to toll the statute of limitations.

The Receiver expects that certain actions will be commenced, although she cannot state at this time the ultimate targets and when the actions will be commenced. The timing of the commencement of certain actions may be dictated by statute of limitations. For those actions in which a statute of limitation is not an issue, the Receivership Team will continue to investigate

and develop a factual basis for potential causes of action and targets. The Receiver cannot state the ultimate value of any claims and the likelihood and timing of collecting on any judgment or settlement that may ultimately be obtained. At the heart of the analysis will be a determination of the cost/benefit of asserting claims. Investigation and litigation are costly endeavors and the Receiver does not intend to expend material estate assets unless the Receiver has the necessary facts and information to assert a meritorious claim and has concluded there is a likelihood of recovering funds if liability is eventually found.

V. LIABILITIES OF THE RECEIVERSHIP ESTATE

Pursuant to Paragraph 47 of the Receiver Order, below, please find a description of the Receivership Estate's potential liabilities as of March 31, 2018. Certain liabilities described herein, particularly those pertaining to creditor claims, are uncertain, and will remain as such until the Receivership Team concludes its claims analysis and forensic investigative processes.

(a) **Creditors**. The creditor-related information presented below is based on prior management's books and records, which are as of December 19, 2016, the date Platinum entered receivership. The Receivership Team will test the veracity of these numbers as part of its ongoing forensic investigative and upcoming claims analysis processes.⁸

- PPCO Lenders: PPCO owed \$65.9 million to three (3) lenders.
- PPCO Unpaid Redemptions: PPCO owed \$28.2 million to 21 PPCO unpaid redeemers.
- PPLO Unpaid Redemptions: PPLO owed \$6.5 million to three (3) PPLO unpaid redeemers.

⁸ The validity and amount of claims may differ materially from the values reported by prior management.

- PPCO and PPLO Outstanding Payables: PPCO and PPLO had \$2.7 million of outstanding payables attributable to 23 vendors.

(b) **Accrued Administrative Expenses.** As of March 31, 2018, accrued, unpaid administrative expenses amount to approximately \$3.0 million. These administrative expenses primarily consist of accrued and unpaid professional fees. In addition to these unpaid administrative expenses, the Receivership Estate has budgeted approximately \$150,000 per month to pay the remaining in-house Platinum staff and to cover other operating expenses. The Receiver is continually looking to reduce these and other expenses.

(c) **Disbursements to Preserve the Value of Certain Investments.** The Receiver expects to incur expenses amounting to approximately \$700,000 to preserve the value of the ALS life settlement policies (\$560,000), LC Energy (\$110,000) and Abdala (\$32,000) investments, pending the conclusion of the associated sales processes. Certain of the premiums that will be incurred by the Receivership Estate will be subject to reimbursement by the purchasers of the life settlement policies.

(d) **Investors.** The Receiver currently believes that there are 286 known investors. The aggregate net cash invested by investors in the Platinum Entities is approximately \$310,000,000. After conferring with the SEC, at this time, to protect the privacy of the investors, the Receiver is not filing with this Third Status Report a list of the names of each investor and the amount of such investor's net cash investment. The actual amount and value of the investors' claims is ultimately dependent upon the net recovery obtained on Receivership Property. The amount of "net cash invested" may be materially different than the amount ultimately received by the investor.

VI. CLAIMS ANALYSIS

The Receiver has not yet initiated a formal claims bar date. Thus, no claims proceedings have yet been commenced. The Prior Receiver had posted a form claim form for creditors to assert a claim. The Receivership Team has copies of all submitted claims. The Receiver has not yet determined how different types of claims or creditors will be treated and the Receiver has not yet developed guidelines for how different investors' or creditors' claims will be treated or the method that will be used. The Receiver has also not determined if there will be one pool of assets for all allowed claims of all of the Platinum entities in the Receivership Estate.

Although the Receiver has not yet formalized a claims process, the Receivership Team has begun to analyze issues relating to the claims process and is evaluating the information that it has with respect to investor and creditor claims, which will also help with determinations regarding how different claims will be treated. The Receiver currently anticipates that a formal process will be launched in the third quarter of this year, although that timeline could change.

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 the Platinum Entities. While the Platinum Entities could be liquidated in a bankruptcy proceeding, for the reasons stated in the Receiver's First Quarterly Status Report [Dkt. No. 288], the Receiver continues to believe that continuing with the orderly liquidation of the Platinum Entities in this receivership case provides much greater flexibility to achieve an equitable result for the investors who have been wronged here. To start over at this late date – well over a year into the receivership case and following the appointment of a second receiver six months into the case -- would be extremely time consuming and expensive. Importantly, it would disrupt the marketing and sales processes that are currently underway, ultimately reducing

the recoveries to investors and other creditors as a result of added administrative expenses and prolonging the liquidation process.

VIII. CONCLUSION

The Receiver cannot at this time state when she expects the case to be concluded. The Receiver expects that distributions to investors and creditors will not occur until the end of this calendar year, at the earliest. This is due to the complexity of Platinum's business operations, the desire to liquidate substantially all of Platinum's assets before making any distributions, and the Receiver's strategy of avoiding a "fire sale" of Platinum's assets. The Receiver has one proposed asset sale pending before the Court (the ALS life settlement portfolio) and expects that additional sales will be completed during the current calendar quarter, all of which will be reported upon in future status reports to the Court.

Dated: April 20, 2018

Otterbourg P.C.

By: /s/ Adam C. Silverstein
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On Behalf of Melanie L. Cyganowski, as Receiver

EXHIBIT A

PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND LP AND AFFILIATED ENTITIES**Schedule of Receipts and Disbursements**

	Period from 1/1/2018 to 3/31/2018			Cumulative Total from 7/7/2017 to 3/31/2018		
	PPCO	PPLO	Total	PPCO	PPLO	Total
Cash (Beginning of Period)	\$ 9,953,790	\$ 1,748,597	\$ 11,702,387	\$ 7,788,872	\$ 1,617,492	\$ 9,406,363
Receipts						
Business Income	-	-	-	-	-	-
Cash and Securities	-	-	-	-	-	-
Interest/Dividend Income	-	-	-	-	2,321	2,321
Business Asset Liquidation	467,774	17,649	485,423	22,977,267	143,287	23,120,555
Personal Asset Liquidation	-	-	-	-	-	-
Third-Party Litigation Income	-	-	-	-	-	-
Miscellaneous - Other	143,527	-	143,527	264,782	3,146	267,928
Total Receipts	\$ 611,301	\$ 17,649	\$ 628,950	\$ 23,242,049	\$ 148,755	\$ 23,390,804
Disbursements						
Disbursements to Investors/Claimants	-	-	-	-	-	-
Disbursements for Receivership Operations	-	-	-	-	-	-
Disbursements to Receiver or Other Professionals	(1,891,274)	-	(1,891,274)	(6,939,673)	-	(6,939,673)
Business Asset Expenses	(478,003)	-	(478,003)	(2,014,213)	-	(2,014,213)
Personal Asset Expenses	-	-	-	-	-	-
Investment Expenses	(2,752,868)	-	(2,752,868)	(16,566,948)	-	(16,566,948)
Third-Party Litigation Expenses	-	-	-	-	-	-
Tax Administrator Fees and Bonds	(15,451)	-	(15,451)	(82,593)	-	(82,593)
Federal and State Tax Payments	-	-	-	-	-	-
Disbursements for Distribution Expenses Paid by the Fund	-	-	-	-	-	-
Disbursements to Court/Other	-	-	-	-	-	-
Total Disbursements	\$ (5,137,596)	\$ -	\$ (5,137,596)	\$ (25,603,427)	\$ -	\$ (25,603,427)
Cash (End of Period)	\$ 5,427,494	\$ 1,766,246	\$ 7,193,741	\$ 5,427,494	\$ 1,766,246	\$ 7,193,741

EXHIBIT B

Receivership Property List

PPCO Assets

Asset Name	Asset Type
1) Abdala Tailings Project	10-Year Right to Mine Tailings
2) Acceleration Bay	Back-end proceeds from litigation
3) Activision TV, Inc.	Patent Portfolio
4) Agera Energy LLC	Preferred Stock
5) Alcor Energy Solutions, LLC	Seller's Note
6) ALS Capital Ventures, LLC	Life Settlements Portfolio
7) American Patriot Gold, LLC	Fee Ownership of Real Estate
8) Andrew McCarrell v. Hoffmann - La Roche Inc. and Roche Laboratories, Inc. (Accutane)	Litigation Finance Investment
9) Arabella Exploration Inc.	Loan Receivable
10) Azarga Uranium Corp.	Common Stock
11) Bahamas Properties	Ownership Interest
12) Buffalo Lake Advanced Biofuels LLC	1) Loan Receivable 2) Common Stock
13) Carbon Credits	Participations in PPVA deals
14) Celsius Resources Ltd	Common Stock
15) China Horizon Investment Group Ltd.	Loan Receivable
16) Claus Shelling Family Trust	Life Settlements Portfolio
17) Cleveland Mining Company Ltd.	1) Loan Receivable 2) Common Stock
18) Credit Card Receivables Portfolio	Loan Receivable
19) Daybreak Oil and Gas, Inc.	1) Term Loan 2) Warrants 3) 40% PPCO Ownership Interest in Belvidere Field in Michigan
20) Decision Diagnostics Corp.	Preferred Stock
21) Environmental Service Professionals, Inc.	Common Stock

Receivership Property List

PPCO Assets

Company Name	Asset Description
22) Golden Gate Oil LLC	Notes Receivable
23) Greehey & Company	Loan Receivable
24) Greentown Oil Company, LLC	1) Secured Note 2) Unsecured Note
25) Grey K Environmental Fund II, L.P.	Investment in Closed-End Fund
26) Estate of William Davidson v. Deloitte Tax LLP	Litigation Finance Investment
27) Judah Perlstein	Loan Receivable
28) Katrina Barge Litigation Joint Venture, LLC	Proceeds from Litigation
29) Khorrami Pollard & Abir, LLP	Loan Receivable
30) LC Energy Operations LLP	1) Loan Receivable 2) Common Stock
31) Martin Kenney & Co. Ltd.	Supplemental Interest
32) Millennium Healthcare, Inc.	Common Stock
33) MMP Resources Limited (f/k/a Sino Construction)	Common Stock
34) Montsant Partners LLC	Loan Receivable
35) Nisayon International Inc.	Loan Receivable
36) NJ Ethanol LLC	1) Class B Preferred Stock 2) Common Stock
37) Nordaq Energy Inc	1) Common Stock 2) Warrants
38) Over Everything LLC	1) Loan Receivable 2) Common Stock
39) Pedevco Corp	1) Loan Receivable 2) Common Stock
40) Pro Player Athletes	Loan Receivable
41) Rolling Acres of Stamford	Loan Receivable
42) Thomas Martin Family Trust	Life Settlements Portfolio
43) Total Asset Recovery Services, LLC (TARS)	Litigation Finance Investment
44) Urigen Pharmaceuticals, Inc.	1) Note Receivable 2) Preferred Stock
45) Xcell Energy Inc.	Loan Receivable
46) Yellow River	Common Stock

Receivership Property List

PPLO Assets

Company Name	Asset Description
1) Alcyone Resources Limited	Common Stock Note Receivable
2) Bang Holdings Corp.	Warrants
3) Black Elk Energy LLC	Note Receivable
4) Blink Car Charging (f/k/a Car Charging Group)	Common Stock
5) China Cablecom Holdings Ltd.	1) Common Stock 2) Preferred Stock
6) Echo Therapeutics, Inc.	1) Preferred Stock 2) Common Stock 3) Warrants
7) Misung Polytech	Loan Receivable
8) Navidea Biopharmaceuticals, Inc.	Common Stock
9) Ochre Group Holdings Limited	Common Stock
10) Range Resources Limited	Common Stock
11) Sun Resources NL	Options
12) Valley Forge	Common Stock
13) Wexford Petroleum Corporation	Common Stock
14) Woori Technology Inc.	Warrants

Receivership Property List

Jointly Held PCO / PPLO Assets

Company Name	Asset Description
1) Cokal Limited	1) Loan Receivable 2) Common Stock 3) Warrants
2) Copper Rider / Parot Tovot	1) Loan Receivable - Parot Tovot 2) Loan Receivable - Copper Rider
3) Infinity Augmented Realty, Inc.	1) Series A Preferred Stock 2) Series B Preferred Stock 3) Common Stock 4) Options
4) Northstar Offshore Group	1) Preferred Stock 2) Loan Receivable - Subordinated Debt 3) Loan Receivable - Line of Credit 4) Note
5) Platinum Partners Value Arbitrage Fund	Loan Receivable