

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

**COMMODITY FUTURES TRADING  
COMMISSION,**

**Plaintiff,**

22 Civ. 3822 (VEC)

**-against-**

**EDDY ALEXANDRE and  
EMINIFX, INC.,**

**Defendants.**

**SECOND QUARTER 2025 REPORT OF RECEIVER DAVID A. CASTLEMAN**

**(THIRTEENTH STATUS REPORT)**

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July 31, 2025

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David A. Castleman (the “**Receiver**”), as Receiver pursuant to the Consent Preliminary Injunction (the “**Consent Order**”), entered by this Court in this action (the “**Civil Action**”) on June 15, 2022 [Dkt. 56], files this Thirteenth Status Report (the “**Report**”) to apprise the Court of the activities of the receivership (the “**Receivership**”) for April 1, 2025 through June 30, 2025 (the “**Second Quarter**”). The Report may also include events that occurred after the Second Quarter if useful in providing a complete report on a particular matter.

## I. INTRODUCTION

During the Second Quarter, as a part of the ongoing “Initial Distribution” [Dkt. 434] under the Receiver’s approved plan of distribution (the “**Plan**”),<sup>1</sup> the Receiver and his team distributed over \$11.1 million to more than 4,500 additional eligible EminiFX Users (“**users**”). Those distributions follow the \$76.8 million already distributed to nearly 18,000 users during the previous quarter, bringing the total distributed as of June 30, 2025 to approximately \$88 million of the \$100 million allocated for the Initial Distribution. The primary reason users eligible to receive a distribution have not received distributions is that they have not provided the Receiver with valid payment information. *The Receiver encourages all users who have not provided payment information to do so on the User Portal at their earliest convenience.*

A small percentage of users’ transactions—less than 0.5% of the total transactions—are still subject to a dispute (“**Disputed Transactions**”). The Receiver and his team spent much of the Second Quarter working to consensually resolve remaining Disputed Transactions and finalizing user accounts. For that small percentage of user transactions that the Receiver has been unable to resolve consensually, during the Second Quarter (and shortly thereafter), the Receiver submitted two schedules of Disputed Transactions (“**User Objection Submissions**”).

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<sup>1</sup> A copy of the Court-approved Plan [Dkt. 444-3] is available under the “Key Documents” heading on the Receiver’s website, <https://www.eminifxreceivership.com/>.

[Dkts. 496-97, 503-04] to the Court for judicial resolution in accordance with the Section 2.E.VII of the claims procedures (the “**Claims Procedures**”) [Dkt. 228]. On July 23, 2025, the Receiver also submitted a letter application seeking the Court’s approval of the Receiver’s determinations contained in the User Objection Submissions [Dkt. 506].

The Receiver has also continued efforts to recover estate assets during the Second Quarter, including by the prosecution of litigation claims of the estate. The Receiver continued prosecution of the action commenced against Clarelle Dieuveil, the former Chief Financial Officer of EminiFX, in the Supreme Court for the County of New York. The Receiver filed an amended complaint in that action during the Second Quarter, adding defendants John Edvard Maisonneuve and Sophia Maisonneuve, who both served in the Client Relations team at EminiFX. The Receiver further litigated a motion to dismiss in his separate litigation against Interactive Brokers, which is also currently pending in state court. Additionally, consistent with the authority granted in the approved Plan, the Receiver commenced a settlement process to voluntarily recover funds for users who withdrew more than they deposited during EminiFX’s operation (“**Net Profit Settlements**”).

The Receiver also continued to address tax-related issues during the Second Quarter. At the outset of the Second Quarter, the Receiver filed a New York State tax for EminiFX with the relatively de minimis tax liability of \$9,750. The Receiver also continued to work with his tax advisors to monitor the status of the federal pre-Receivership tax return for EminiFX (“**Corporate Tax Return**”) (previously filed by the Receiver with a tax liability of \$0) and the qualified settlement fund tax return (“**QSF Tax Return**”) filed for post-Receivership activity. Both returns were filed with a request for prompt assessment Internal Revenue Service (“**IRS**”). A prompt assessment is granted at the discretion of the IRS. As a result, the Receiver cannot say when a decision on the request will be made or predict the outcome. The Receiver continues to maintain

a reserve to ensure compliance with all applicable laws, including the payment of any tax liability if such is found to exist.

During the Second Quarter, the Receivership earned approximately \$363,000 in interest and paid approximately \$1.2 million in expenses, primarily comprising Court-approved professional fees. After completing the initial waves of distribution payments, the Receivership held approximately \$62 million in cash as of the end of the Second Quarter, along with potential litigation claims. A full ledger of the Receivership's financial transactions for the Second Quarter is attached as Exhibit 1, with additional financial data presented in Exhibit 2.<sup>2</sup>

Looking forward, the Receiver will continue to make periodic payments to users from the Initial Distribution as such users' claims become eligible and/or payment information is provided. The Receiver expects these distributions to continue through 2025. Further, once the Court has ruled on the Disputed Transactions in the User Objection Submissions, the Receiver will implement the Court's decision, and, at that time, all user claims will be fixed, marking the end of the transaction review and resolution process. At that point the Receiver will file a final claims analysis report. The Receiver will also make payments to newly eligible users—based on the Court's decision—from the Initial Distribution.

The Receiver expects that, apart from any litigation commenced in connection with the resolution of net profit claims, all major litigation for the benefit of the estate has, as of the date of this Report, been commenced. Excluding litigation that may continue past 2025, and the tax liability where the timing of final resolution cannot be definitively determined, the Receiver

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<sup>2</sup> These financial statements are illustrative and are not intended to be in accordance with generally accepted accounting principles (GAAP), nor are they intended to be used in connection with determining the taxable income (if any) of the Receivership. The Receiver includes these statements to provide the Court and other interested parties a high-level overview of the financial condition of the Receivership during the Second Quarter 2025, as applicable.

continues to expect that the estate will be substantially administered by the end of the third quarter 2025—with a substantial reserve available for a second distribution once the tax liabilities are resolved and if it is determined that the reserve is not needed to satisfy any tax liability.

## II. PROCEDURAL HISTORY

On May 11, 2022, the CFTC filed the Complaint [Dkt. 5] and a motion for an *ex parte* Statutory Restraining Order [Dkt. 6], which the Court granted on the same day, appointing the Receiver initially as Temporary Receiver [Dkt. 9] (the “**SRO**”). On June 15, the Court entered the Consent Order that appointed the Receiver [Dkt. 56] (the “**Consent Order**”). On February 15, 2024, Mr. Alexandre’s counsel at the time filed a letter [Dkt. 257], stating Mr. Alexandre no longer agreed to the CFTC’s proposed consent order, and requesting permission to withdraw as counsel, which the Court granted on February 21, 2024. Mr. Alexandre has since been proceeding *pro se*.<sup>3</sup> On January 21, 2025, the Court entered an Opinion and Order approving the Receiver’s Plan [Dkt. 431] (the “**Distribution Order**”). Additional procedural history is set forth in detail in the twelve prior status reports [Dkts. 71, 163, 192, 195, 218, 234, 251, 301, 370, 418, 444, 476]. The procedural history relevant to the Second Quarter follows.

**User Objection Submissions.** As noted above and discussed further below, on May 23, 2025, the Receiver filed his *First Submission of User Objections (Disallowed Under Plan)* (the [Dkts. 496-97]. Following the close of the Second Quarter, on July 17, 2025, the Receiver filed his *Second and Final Submission of User Objections* [Dkts. 503-04]. These filings represent the universe of unresolved User Objections for which judicial resolution is requested in accordance

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<sup>3</sup> In light of Mr. Alexandre’s *pro se* status, the Receiver has continued to email Mr. Alexandre via his CorrLinks account docket entries of Orders of the Court when they are posted on ECF [e.g., Dkts. 469, 481, 482, 485, 490, 491, 492, 493, 494, 498, 502], as well as paper copies via U.S. Mail.

with Section 2.E.VII of the Claims Procedures [Dkt. 228]. A formal letter application seeking such resolution was filed on July 23, 2025 [Dkt. 506].

**Intervention Motion (Investors).** During the prior quarter, a group of EminiFX users led by Pierre Acluche filed a renewed motion to intervene in this case [Dkt. 439] and letter request from Mr. Acluche in opposition to the Plan [Dkt. 438].<sup>4</sup> The court denied the renewed motion and rejected Mr. Acluche’s opposition to the Plan (“**January 30 Order**”), and further denied a separate motion by Mr. Alexandre to reconsider the January 30 Order [Dkt. 453, 457]. Mr. Acluche filed a notice of appeal from the January 30 Order [Dkt. 452], which is pending with the Second Circuit [25-632]. During the Second Quarter, on April 25, 2025, Mr. Acluche filed a letter with the Court seeking a stay of the proceedings pending the appeal [Dkt. 472].<sup>5</sup> On April 28, 2025, the Court entered an order denying Mr. Acluche’s request for a stay [Dkt. 473].

**Mr. Alexandre Stay Motion.** On May 12, 2025, Mr. Alexandre filed a motion to stay the above-captioned proceeding, including any action that the Receiver may take pursuant to this Court’s orders, subject to resolution of various appeals that Mr. Alexandre filed with the Second Circuit [Dkt. 483]. On May 16, 2025, the Court entered an order denying Mr. Alexandre’s motion [Dkt. 485].

**Motion for Leave to File Certain Claims.** On April 7, 2025, Mr. Alexandre filed a motion seeking leave to file counterclaims and crossclaims against the Receiver [Dkt. 475]. The Court denied Mr. Alexandre’s motion by order entered April 9, 2025 [Dkt. 469]. The Court also denied

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<sup>4</sup> For the avoidance of doubt, the Receiver clarifies that distributions to eligible users that were a part of this motion (and/or prior intervention motions) were not in any way altered as a result of these motions. To the extent these users were eligible and had input their payment information, they received a distribution in the ordinary course. Mr. Acluche is identified by name as he has signed multiple pleadings appearing on the docket, acting *pro se*.

<sup>5</sup> On the morning of April 28, 2025, the Receiver provided Mr. Acluche with a copy of his previously filed Financial Condition Report (which is also available in the “Key Documents” section of the Receiver’s website), in the belief that such information would address several of the issues raised in Mr. Acluche’s letter requesting a stay.

Mr. Alexandre's subsequent motion for reconsideration of the Court's April 9, 2025 order [Dkts. 475, 482].

**Intervention Motion (Mr. Alexandre).** On April 29, 2025, Mr. Alexandre filed a motion seeking to intervene in, and remove to this Court, the action filed in New York state court against Clarelle Dieuveil, the former Chief Financial Officer of EminiFX, and John Edvard Maisonneuve and Sophia Maisonneuve, who both served EminiFX senior executives [Dkt. 474]. By order entered May 1, 2025, the Court denied Mr. Alexandre's motion based on a lack of jurisdiction to issue orders affecting the state court proceeding [Dkt. 481].

**Motion to Compel.** On February 19, 2025, the Receiver filed a motion to compel (the "**Motion to Compel**") Mr. Alexandre's compliance with the SRO and Consent Order, both of which required EminiFX and Mr. Alexandre to turn over all EminiFX assets held by Mr. Alexandre traceable to EminiFX [Dkt. 448-451]. Specifically, the motion seeks to compel Mr. Alexandre to turn over: (1) two luxury watches purchased with EminiFX funds (the "**Watches**"), (2) cash physically given to EminiFX at its offices by EminiFX users (the "**Cash Deposits**") for investment, but that was not deposited into EminiFX accounts and (3) any cryptocurrency withdrawn by Alexandre or any of EminiFX's or Alexandre's agents from EminiFX (the "**Cryptocurrency**"); and (4) passwords and any other necessary authentication to access Mr. Alexandre's laptop and Gmail account (the "**Gmail Account**"), which Mr. Alexandre used for EminiFX business [see Dkt. 449]. Following the First Quarter, but prior to the filing of this Report, the Court granted a request by Mr. Alexandre for additional time to respond to the Receiver's motion [Dkt. 464], and Mr. Alexandre filed a response on April 1, 2025 [Dkt. 466]. The Receiver filed a reply on April 15, 2025 [Dkt. 470]. The motion remains pending as of the date of this Report.



**Applications for Fees and Expenses.** On April 30, 2025, the Receiver filed an application for fees and expenses incurred in the first quarter 2025 [Dkt. 477], which was granted on May 21, 2025 [Dkt. 490]. Mr. Alexandre filed an application to oppose to the Receiver's First Quarter 2025 status report and fee application [Dkt. 489], which was denied by this Court on May 22, 2025 [Dkt. 492].

### **III. RECEIVERSHIP FINANCES**

As noted in the Financial Condition Report [Dkt. 199], other than as set forth in the Motion to Compel and claims for the turnover of funds in the CFO Action (described below), the Receiver believes that all material EminiFX assets, as reflected on the EminiFX and Mr. Alexandre's account statements, have been turned over to the Receivership. If any additional assets come to light as a result of the Receiver's investigation, the Receiver will evaluate the facts and act or seek relief accordingly, including pursuing claims against third parties as appropriate.

In the Second Quarter, the Receivership earned \$363,731.86 in interest, recovered \$11,777.40 in Net Winner settlements, and spent \$1,237,918.91 in cash for Court-approved professional fees and expenses for work performed in the first quarter 2025. The Receiver also distributed \$10,756,788.44 to Class 3 claimants, \$393,018.32 to Class 3A Claimants, and paid \$9,750.00 in New York taxes (priority class 2). The total cash position of the Receivership as of June 30, 2025 was \$62,056,204.23. Although interest rates have declined somewhat, the primary reason for the decrease in interest income is a reduction in principal as a result of the aforementioned disbursement of payments to EminiFX users.

The fees and expenses for the Receiver and his professional firms that have been incurred during the Second Quarter total \$1,162,352.61, subject to review and approval by the Court and the CFTC pursuant to the Employment Order [Dkt. 47]. These fees reflect the considerable activity in this case during the Second Quarter, largely related to resolving the remaining

Distributed Transactions, including the filing the User Objection Submissions; facilitating the remainder of the Initial Distribution, responding to various filings on the docket, and prosecuting claims commenced by the Receiver, as set forth therein. The Receiver will file a separate application to seek authority to pay such fees and expenses following this Report.

The financial statements attached as Exhibit 2 show the post-appointment balance sheet, income statement, and cash flows for the Receivership during the Second Quarter. As noted above, these financial statements are illustrative and are not intended to be in accordance with generally accepted accounting principles (GAAP), nor are they intended to be used in connection with determining the taxable income (if any) of the Receivership or EminiFX. The Receiver includes these statements to give the Court and other interested parties a high-level overview of the financial condition of the Receivership.

#### **IV. RESOLUTION OF REMAINING USER TRANSACTIONS AND CLAIMS**

The Receiver has described the initial transaction review in detail in prior reports [*see, e.g.*, Dkt. 444, at 12-19] and in the Schedule of User Transactions [Dkt. 417] (“**Disputed Transaction Schedule**”). The most recent status report [Dkt. 476] further detailed the process of resolving the Disputed Transactions that remained following the filing of the Disputed Transaction Schedule. In short, of the 3,627 users with Disputed Transactions reflected in the Disputed Transaction Schedule, only 630 users remained with Disputed Transactions or temporary review holds as of the Notice of Initial Distribution on January 23, 2025 [Dkt. 434, at 2 & Ex. 5]. The Receiver and his team continued to work to resolve as many of the remaining accounts as possible following the Notice of Initial Distribution and through the Second Quarter.

The Receiver was able to consensually resolve 360 user accounts. For those accounts that could not be resolved consensually, pursuant to Section 2.E.VII of the Claims Procedures, the Receiver was required to file with the Court a summary of User Objections with respect to each of

the Disputed Transactions, and the Receiver's proposed resolution. Ultimately, the User Objection Submissions include, in the aggregate, only 550 total Disputed Transactions for 270 unique users, representing less than 0.5% of all EminiFX Transactions.

The First User Objection Submission, filed May 23, 2025, addressed a subset of unresolved Disputed Transactions in which the dispute was not over the asserted facts, but rather whether the user was entitled to credit under the terms of the Plan, specifically requests for internal transfers and ROI and/or bonuses (discussed further below). The Second User Objection Submission, while also including a number of those types of requests not submitted in the first submission, primarily addressed deposits in which the User failed to provide sufficient documentation to corroborate that a deposit into EminiFX actually occurred, and the Receiver could not otherwise verify the claimed deposit despite extensive efforts. Specifically, it covered the following dispute categories: (i) insufficient documentation; (ii) transactions that were initiated but never completed; (iii) disputes over confirmed Withdrawals; and (iv) other transactional deficiencies. As noted above, on July 23, 2025, the Receiver also filed a letter application, formally requesting the Court's approval of the Receiver's determinations as reflected in the User Objection Submissions.

Once the Court rules on these objections (whether to overrule or sustain any or all of the objections), all User claims will then be fully resolved. The Receiver then intends to implement the Court's decision with respect to each Disputed Transaction, and file a final claims report as soon as practicable thereafter. Additionally, the users who have not yet received an initial distribution because certain of their Transactions are Disputed Transactions will be entitled to receive a distribution on those Transactions that are verified. The Receivership is sufficiently reserved—in high-yield FDIC-insured accounts that bear no meaningful financial risk—to make

payments to eligible users regardless whether the Court approves the Receiver's determinations or sustains any or all of the Users' objections.

In addition to completing the process of resolving outstanding Disputed Transactions, a related effort to resolve "review holds" occurred concurrently. Consistent with the Plan, certain users' accounts with verified transactions were placed on a distribution hold pending resolution of outstanding issues related to those accounts. By way of example, holds might have been placed on accounts that were potentially impacted by the resolution of a Disputed Transaction on another user's account (as when a user is claiming another's verified transaction), or where a pending or recommended merger of accounts would impact a user's ultimate claim total. The Receiver and his team communicated regularly with users regarding these holds and potential resolutions, including in many cases ensuring that transactions were re-attributed to the appropriate user.

As of the date of this Report, all review holds have been resolved, and only two accounts are subject to a remaining form of distribution hold. Specifically, one User is now the subject of ongoing litigation commenced by the Receiver (discussed further below), and that user's account is being held subject to the conclusion of that suit. Another user is the subject of a judicial action commenced by a government agency unrelated to this proceeding. Consistent with a so-ordered stipulation between that agency and the User, the Receiver will treat the User's distribution as made in the third quarter 2025, but will place the funds into a segregated account until the parties to that action determine where those funds should ultimately be sent.<sup>6</sup>

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<sup>6</sup> The stipulation and the underlying judicial action both reference the affected User by name. The Receiver has the stipulation on file and been in regular contact with the government agency, the User, and the User's counsel. The Receiver sees no need to publish the User's name or personal details on the docket in this Action [*cf.* Dkt. 354].

## **V. DISTRIBUTIONS OF USER REFUNDS**

On August 9, 2024, the Receiver submitted the Plan Motion and Proposed Plan, which was fully briefed as of September 27, 2024. On January 21, 2025, the Court approved the Plan as proposed by the Receiver [Dkt. 433]. Under the Court approved Plan, allowed investor claims are defined based only upon each investor's actual deposits into, and withdrawals from, EminiFX. The Plan excludes (i) the ROI, representing fictitious profits not related to any actual investing activity, (ii) recruitment and multilevel marketing bonuses, and (iii) internal transfers from the definition of an investor's claim for a partial refund of his or her original investment. The Plan provides for a pro rata distribution using the "rising tide" method, which calculates claims based on pre-receivership deposits and treats pre-receivership withdrawals as distributions on such claims, acknowledging that pre-receivership withdrawals were paid from the pool of commingled investor deposits—the same pool of funds that is used to make distributions under the Plan. Under the Rising Tide method, the pro rata distribution percentage will be higher than such percentage under a "Net Investment" distribution method (where withdrawals are subtracted from deposits to determine a net claim) for the same number of dollars distributed.

Upon the Court's approval of the Plan, the Receiver and his team began the process of making the Initial Distribution. The process of accurately disbursing funds to tens of thousands of Users is a labor-intensive one. Users were able to submit payment information to enable the Receiver to make distributions to which they may be entitled. As payment information is provided, the User becomes eligible to receive a payment in the following distribution wave. A total of four distribution payment waves have occurred to date, with the latest wave beginning in June 2025. While the payment information panel is frozen in advance of distribution payment waves so that payment information is not changed once a distribution payment is in process, it has been, and will

continue to be, reopened in advance of subsequent payment waves to allow Users to submit payment information as they become entitled to participate in a distribution.

The next wave of distribution payments is planned for August 2025. After that, the Receiver anticipates making a final wave of payments for the Initial Distribution following the submission to the Court of a final claims analysis report. At that point, the Receiver will also send checks to last known addresses for Users who (i) have not provided sufficient payment information, and (ii) have such an eligible address on file.

After that final wave of payments for the Initial Distribution is made, the Receiver does not anticipate making any further payments until such time as he is able to make a second distribution (“**Second Distribution**”). The Receiver anticipates implementing the Unclaimed Property provision found in § V.H of the Plan as part of the Second Distribution process [*see* Dkt. 444-3, at 23], instead of as part of the Initial Distribution process. Therefore, Users who did not receive the Initial Distribution payment—due to the lack of payment information or the unavailability of the last known address method—will not have those payments treated as unclaimed property at this time, and they will remain eligible to receive the Initial Distribution payment as part of their Second Distribution.

As reflected in the Notice of Initial Distribution [Dkt. 434], the Receiver allocated \$100 million for the Initial Distribution, with Class 3 and Class 3A claimants will receive distributions based on Rising Tide percentages of 45% and 55%, respectively. As of the close of the Second Quarter, distributions were made to a total of 22,476 users, in the aggregate amount of nearly \$88 million. The Receiver continues to make distribution payments to eligible users, including several million dollars already during the third quarter.

## VI. ASSET RECOVERY AND AFFIRMATIVE ACTIONS

During the Second Quarter, the Receiver and his team continued to work on various recovery efforts detailed in prior reports, including through continued of third-party litigation. As of the start of the Second Quarter, the Receiver had commenced two actions against third parties. First, on March 25, 2025, the Receiver filed a complaint against Clarelle Dieuveuil, the former Chief Financial Officer of EminiFX, captioned *David A. Castleman as Receiver for EminiFX, Inc. v. Clarelle Dieuveuil*, Index No. 651642/2025 (the “**Senior Executives Action**”) in the Supreme Court for the County of New York. In the Complaint, the Receiver alleges that the CFO is liable for breach of fiduciary duty and for fraud, arising from specific actions she took as CFO in furtherance of the operation of EminiFX. The Receiver further alleges that the CFO aided and abetted Mr. Alexandre’s alleged breach of fiduciary duty and fraud. Finally, the Receiver alleges that the CFO received transfers of over \$500,000 from EminiFX, for which no value was provided, and seeks to avoid those transfers.

During the Second Quarter, on May 14, 2025, the Receiver filed an amended complaint in the CFO action, adding defendants John Edvard Maisonneuve and Sophia Maisonneuve (“**Maisonneuves**”), who both served as senior executives in the Client Relations team at EminiFX. The Receiver alleges, among other things, that the Maisonneuves assisted in collecting millions of dollars of cash from users who believed their funds were being deposited into their EminiFX accounts for investment, and that Sophia Maisonneuve also assisted in keeping users unaware of the fraud through her work as part of, and later management of, EminiFX’s Client Relations team.

On June 16, 2025, the CFO filed her answer to the amended complaint. Shortly after the conclusion of the Second Quarter, on July 9, 2025, the Receiver issued a discovery request to the CFO. The Receiver anticipates that the Senior Executives Action will continue for some time but

will remain open to potential resolution in the best interest of the estate, consistent with the Court's order approving the Plan [Dkt. 431 at 18-20].

In addition to the CFO action, as detailed in the last two reports, on December 3, 2024, the Receiver filed a complaint against Interactive Brokers LLC ("**Interactive Brokers**") in the Supreme Court of the State of New York, County of New York. The case, captioned *David A. Castleman as Receiver for EminiFX, Inc. v. Interactive Brokers LLC*, Index No. 659407/2024, seeks damages based on Interactive Brokers' alleged facilitation of transactions connected to EminiFX. During the prior quarter, Interactive Brokers attempted to remove the action to the United States District Court for the Southern District of New York, and the matter was assigned to this Court [Case No. 25-cv-00042-VEC]. On January 13, 2025, the Court entered an order directing Interactive Brokers to show cause why the action should not be remanded for lack of jurisdiction. Interactive Brokers briefed its position and the Receiver responded [Dkts. 12, 13]. On April 10, 2025, the Court remanded the action back to state court [Dkt. 14]. On May 19, 2025, Interactive Brokers moved to dismiss the action and stay discovery. The state court entered an order staying discovery pending the resolution of the dismissal motion. As of the date of this Report, that motion is fully briefed and *sub judice* with the state court, and the Receiver does not anticipate expending significant estate resources on this action until the motion is decided.

In addition to these efforts, during the prior quarter the Receiver implemented the Net Profit Settlement process—that is, a settlement process for collecting a portion of the net profits from users without the need for litigation over the collection of those funds, as contemplated by the Court's Distribution Order. As that order provides,

With respect to Causes of Action against Net Winners, the Receiver is authorized to settle such Causes of Action for a return to the Receivership estate of fifty percent of the amount by which a Net Winner's Verified User Withdrawal Amount exceeds their Verified User Deposit Amount, in exchange for a release of liability, subject



to further terms determined by the Receiver in the best interest of the Receivership estate, including but not limited to the resolution of additional claims against such persons or entities, without further order of this Court. The Receiver is authorized to set a June 30, 2025, deadline to settle such Net Winner Causes of Action, but may for good cause extend that deadline for some or all Net Winners.

[Dkt. 431, at 20].

During the last quarter, the Receiver and his team created a framework and procedure for effecting these settlements through the Portal. The Receiver proposed that if a user received a net profit, and returned 50% of such net profit, the Receiver would provide the user with a release of all claims. At the outset of the Second Quarter, users with net profits were contacted directly via email, and had their Portals updated to include an option to agree to the proposed settlement. Once a user has agreed, they are provided with payment information, and, upon the Receiver's receipt of their settlement payment, users will receive a written settlement and release agreement. All net profits recovered will be added to the Receivership funds to be used for distribution to eligible EminiFX investors. The Receiver anticipates continuing to use the Portal to allow for the voluntary repayment of net profits for as long as the Portal is operational.

At present, the Receiver is not contemplating any additional affirmative litigation.

## **VII. RECEIVERSHIP COMMUNICATIONS**

During the Second Quarter, the Receiver and his team communicated with users through various means—including email and Portal message, phone calls, and, in some cases, via videoconference platform—to provide pertinent updates in the Receivership, and to resolve transaction-related issues. The Receivership website (<http://www.eminifxreceivership.com>), also underwent a major update during the Second Quarter, with such update being made available in English, French, and Haitian Creole. The Receivership website will continue to be the primary source of information for interested parties.

*Any interested party seeking information concerning the Receivership is encouraged to review the website in the first instance.* The homepage of the website contains the status reports (including this one), a report on asset recovery, key filings, frequently asked questions, and other information about this case. The website also contains a “Civil Docket” section, so that all ECF filings in this case are available to all interested parties without the need for any such party to pay for filings using PACER or ECF. The Receiver’s team will aim to have all docket items posted by the end of each week, and any interested party can subscribe for docket item email updates by clicking the “**Subscribe**” button in the “**Civil Docket**” section. Under the “**Frequently Asked Questions**” section, the Receiver and his team endeavor to provide answers to common user questions so that answers are available to all interested parties, and the Receiver and his team will update the information over time. Finally, the website contains a section for EminiFX users or interested parties to update their contact information, especially their email addresses.

Finally, as noted in the Receiver’s response to a motion to intervene filed by certain EminiFX users [Dkt. 250], the Receiver encourages any EminiFX users who wish to file anything directly with the Court to reach out through the various communication channels available—most notably the EminiFX@Stretto.com email address—to see if their concern may be resolved by the Receiver and his professionals.

## **VIII. TAXES**

As noted in prior reports, as of the Receiver’s appointment, the IRS did not have a tax return on file for EminiFX, nor does it appear that one was prepared based on the evidence provided to the Receiver. The Receiver has a specific obligation to file a tax return for EminiFX (see Dkt. 9, ¶ 31(m) (incorporated at Consent Order ¶ 37)). Ultimately, Deloitte Tax prepared and the Receiver filed the Corporate Tax Return covering the pre-Receivership period during the prior

quarter. The Corporate Tax Return filed with a tax liability of \$0, which, as previously indicated, the Receiver believes is correct under the applicable circumstances.

The Receiver has been required to address other tax issues in the Receivership. Pursuant to applicable United States Treasury Regulations, the EminiFX Receivership estate is treated as a Qualified Settlement Fund (“QSF”) effective as of the date of the commencement of the Receivership, May 11, 2022. A QSF is a separate entity created in conjunction with the Receivership that is subject to federal income tax requirements that are independent of EminiFX and individual users’ tax requirements. By operation of law, EminiFX’s assets were transferred to the QSF on May 11, 2022. To the extent that assets transferred to the QSF produce includable income, less certain expenses, the QSF will be required to pay tax at the maximum tax rate in effect for that tax year under the Internal Revenue Code.

The Receiver filed the QSF Tax return for 2023, the year in which all Bitcoin held by the Receivership was sold, in the fourth quarter of 2024. The total tax liability was just under \$25,000. Both the Corporate Tax Return and QSF Tax Return were filed with a request for prompt assessment. The exact timeline for the IRS to issue final determinations remains uncertain.

At the outset of the Second Quarter, in April 2025, the Receiver filed a New York State tax return for the pre-receivership activities of EminiFX, which resulted in taxes owed of \$9,750.

In accordance with the Court’s approval of the Plan and in consultation with his tax advisors, the Receiver has conservatively reserved funds during any distributions to eligible users to account for reasonable worst-case tax liabilities related to the Corporate Tax Return (pre-receivership) and the QSF Tax Return (post-receivership). These reserves are detailed in the Receiver’s reply brief in support of the Plan [Dkt. 399, at 3, 12-13] and are necessitated by the inapplicability of 11 U.S.C. § 505(b) to federal equity receiverships, which remain subject to the

Federal Priority Statute, 31 U.S.C. § 3713. *See also S.E.C. v. Credit Bancorp., Ltd.*, 297 F.3d 127, 140 (2d Cir. 2002).

Additional reserves have also been maintained to address Disputed Transactions, the one remaining distribution hold (described in Section IV above), and other contingencies. Any funds not required to satisfy tax obligations will be distributed to eligible users. To the extent that the IRS audits or otherwise reviews the Corporate or QSF Tax Returns, or to the extent that the Receiver and his tax advisors conclude that a review period has expired, the Receiver will return to this Court for further instructions as applicable.

As stated in prior reports, the Receiver does not intend to issue 1099s to EminiFX users that received funds from EminiFX, including those who received more funds than they contributed, as the Receiver does not believe that such excess amounts represented profits from actual investing activity, but instead were paid using the contributions from other EminiFX users and are properly reflected as partial refunds on money contributed to EminiFX. Nothing in the foregoing is intended to be tax advice for any EminiFX user, and *each EminiFX user is responsible for his or her own personal tax situation.*

## IX. RECOMMENDATIONS AND NEXT STEPS

While the litigation in the Civil Action continues, the Receiver anticipates the following next steps to administer the Receivership in the coming quarters:

**Completion of Initial Distribution Payments.** The Receiver will process the next Initial Distribution payment wave in August 2025, and anticipates making one additional payment wave following the Receiver's submission of a final claims analysis report to the Court. Distribution payments will continue to follow the terms set forth in the Notice of Initial Distribution—Class 3 and Class 3A claimants will receive distributions based on Rising Tide percentages of 45% and 55%, respectively.

**Future Distribution Payments.** Once the Initial Distribution is complete, the Receiver does not anticipate making a Second Distribution until such time as the tax liabilities are resolved. Based on the relatively high success rate of the Initial Distribution (92% paid as of the date of this Report), the Receiver does not project that the Class 3A Rising Tide percentage will ever increase, such that the Initial Distribution is likely the only distribution that Class 3A claimants will receive.

At present, although other interim distributions may occur if necessary, the Receiver anticipates that the Third Distribution will be the final one. That distribution will likely include unclaimed funds, such that, in general, money that the Receiver is unable to distribute to investors who fail to provide payment information will eventually be distributed to other investors.

**Resolution of Remaining Disputed Transactions and Review Holds.** As of the date of this Report, the transaction review and user objection process is substantially complete. Once the Court rules on the Disputed Transactions in the User Objection Submissions, the Receiver will implement the Court's decision with respect to each Disputed Transaction, and file a final claims report as soon as practicable thereafter. Additionally, the users who have not yet received an initial distribution because certain of their Transactions are Disputed Transactions will be entitled to receive a distribution on those Transactions that are verified.

**Resolution of Tax Issues.** The primary tax returns in which liability could be reasonably and materially contested are the QSF Tax Return and the Corporate Tax Return. The Receiver will continue to work with his tax advisors to encourage the IRS to expedite its review of any of those returns, and the Receiver is prepared to provide the IRS with whatever data it needs in such efforts. The Receiver cannot determine with certainty when these issues will be resolved.


**Litigation Claims.** The Receiver will continue to litigate the Senior Executives Action and the Interactive Brokers Action, and to implement the Net Profit repayment program. The Receiver does not anticipate commencing any other affirmative recovery efforts.

**X. CONCLUSION**

The Receiver will provide a further report within 30 days of the end of the third quarter 2025, or at such other time as the Court may direct. The Receiver remains available to provide any further information or advice that the Court may require.

Dated: New York, New York  
July 31, 2025

Respectfully Submitted,

By: 

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*Receiver*

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**CERTIFICATE OF SERVICE**

I hereby certify that on July 31, 2025, I electronically filed the Second Quarter 2025 Report of David A. Castleman (Thirteenth Status Report), with the Clerk of the Court using the Court's CM/ECF system, which shall send notice to all counsel of record. I also served, or cause to be served, copies of the Eleventh Status Report on Defendant Eddy Alexandre by U.S. mail to Eddy Alexandre, Reg. No. 00712-51, FCC Allenwood-Low, P.O. Box 1000, White Deer, PA 17887.

Dated: New York, New York  
July 31, 2025

/s/ David A. Castleman  
David A. Castleman

# Exhibit 1



**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): Cash General Ledger - 2025 2Q**

Category	Type	Detail	Dkt	Asset Pool	Amount (USD)	Date	Balance (USD)
					Balance on 3/31/2025:		\$74,078,170.63
Taxes	State - NY	NYS Corporation	SRO-31m	General Receivership	(\$9,750.00)	04/23/2025	\$74,068,420.63
Operations	Income	Interest		General Receivership	\$122,615.44	04/30/2025	\$74,191,036.07
Operations	Income	Interest		General Receivership	\$1,813.90	04/30/2025	\$74,192,849.97
Operations	Expenses	Professional Fees	459	General Receivership	(\$54,107.50)	05/22/2025	\$74,138,742.47
Operations	Expenses	Professional Fees	459	General Receivership	(\$503,633.50)	05/22/2025	\$73,635,108.97
Operations	Expenses	Professional Fees	459	General Receivership	(\$206,870.00)	05/22/2025	\$73,428,238.97
Operations	Expenses	Professional Fees	459	General Receivership	(\$119,541.00)	05/22/2025	\$73,308,697.97
Operations	Expenses	Professional Fees	459	General Receivership	(\$1,275.00)	05/22/2025	\$73,307,422.97
Operations	Expenses	Professional Fees	459	General Receivership	(\$305,388.47)	05/22/2025	\$73,002,034.50
Operations	Expenses	Prof Expenses	459	General Receivership	(\$12,607.30)	05/22/2025	\$72,989,427.20
Operations	Expenses	Prof Expenses	459	General Receivership	(\$530.40)	05/22/2025	\$72,988,896.80
Operations	Expenses	Prof Expenses	459	General Receivership	(\$5,977.00)	05/22/2025	\$72,982,919.80
Operations	Expenses	Prof Expenses	459	General Receivership	(\$27,988.74)	05/22/2025	\$72,954,931.06
Operations	Income	Interest		General Receivership	\$124,510.34	05/31/2025	\$73,079,441.40
Operations	Income	Interest		General Receivership	\$261.61	05/31/2025	\$73,079,703.01
Operations	Income	Interest		General Receivership	\$114,336.16	06/30/2025	\$73,194,039.17
Operations	Income	Interest		General Receivership	\$194.41	06/30/2025	\$73,194,233.58
Operations	Income	NW Settlements	431	General Receivership	\$11,777.40	06/30/2025	\$73,206,010.98
Distributions	Investors	Class 3	431	General Receivership	(\$10,756,788.44)	06/30/2025	\$62,449,222.54
Distributions	Investors	Class 3A	431	General Receivership	(\$393,018.32)	06/30/2025	\$62,056,204.22

# Exhibit 2

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2025-2Q Balance Sheet**

<b>Assets [1]</b>	<b>2025-2Q</b>	<b>2025-1Q</b>	<b>Difference</b>
Cash and Cash Equivalents	\$ 62,056,204	\$ 74,078,171	\$ (12,021,967)
Litigation and Other Claims [2]		<i>To be determined</i>	
<b>Total Assets</b>	<b>\$ 62,056,204</b>	<b>\$ 74,078,171</b>	<b>\$ (12,021,967)</b>
<b>Liabilities</b>			
Professional Fees and Expenses for Work			
Performed but not Paid in Period [3]	\$ 1,162,353	\$ 1,237,919	\$ (75,566)
Tax Liabilities [4]	\$ -	\$ 9,750	\$ (9,750)
Receivership Refund Claims - Preliminary Value [5]	\$ 139,762,337	\$ 150,912,143	\$ (11,149,806)
<b>Total Liabilities</b>	<b>\$ 140,924,690</b>	<b>\$ 152,159,812</b>	<b>\$ (11,235,122)</b>
<b>Receivership Net Asset Value</b>	<b>\$ (78,868,486)</b>	<b>\$ (78,081,641)</b>	<b>\$ (786,845)</b>

**Notes**

[1] All assets and liabilities as of June 30, 2025. These statements are unaudited and not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures.

[2] The estate may have significant litigation and other claims based on the pre-receivership activities of EminiFX, Inc. and third-parties. The Receiver has not attempted to value those claims for the purpose of this balance sheet.

[3] Fees and expenses to be requested from the Court for work performed in the Second Quarter 2025, pending approval or modification by the Court and the CFTC.

[4] The New York tax liability for EminiFX pre-receivership was determined in the First Quarter 2025 and has since been remitted to the State, decreasing the cash assets above.

[5] The value of these claims will not be finalized until a final claims register is completed by the Receiver and submitted to the Court in accordance with the Transaction Verification and Claims Procedure and the Receiver's Distribution Plan. The amount above reflects the net investment (deposits less withdrawals) of the 32,547 investors whose transactions have been fixed by the Receiver as of December 31, 2024 (with minor calculation adjustments). Additional claims, with a net investment value between \$8.8 to \$14.4 million, remained disputed or on hold as of December 31, 2024. The Receiver has not re-valued those claims for the purposes of this quarterly balance sheet, but has reduced the value of the refund claims by the total refunds paid.

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2025-2Q Income Statement**

<b>Income [1]</b>	<b>2025-2Q</b>	<b>2025-1Q</b>	<b>Difference</b>
Interest on Accounts	\$ 363,732	\$ 658,759	\$ (295,027)
Net Winner Settlements	\$ 11,777	\$ -	\$ 11,777
<b>Total Income</b>	<b>\$ 375,509</b>	<b>\$ 658,759</b>	<b>\$ (283,250)</b>
<b>Expenses</b>			
Administrative Expenses [2]	\$ 1,162,353	\$ 1,237,919	\$ (75,566)
NY Tax Payment (Inc)	\$ 9,750	\$ -	\$ 9,750
Miscellaneous Expenses	\$ -	\$ 3,100	\$ (3,100)
<b>Total Expenses</b>	<b>\$ 1,172,103</b>	<b>\$ 1,241,019</b>	<b>\$ (68,916)</b>
<b>Receivership Net Income</b>	<b>\$ (796,594)</b>	<b>\$ (582,260)</b>	<b>\$ (214,334)</b>

**Notes**

[1] Income from April 1, 2025 to June 30, 2025. These statements are unaudited and not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures. This income statement is for illustrative purposes only and is not intended to represent the taxable income to the receivership estate.

[2] Fees and expenses to be requested from the Court in the Second Quarter 2025 Fee Application, pending approval or modification by the Court and the CFTC.

**Receivership Estate of EminiFX and Alexandre (22 Civ. 3822): 2025-2Q Statement of Cash Flows**

	2025-2Q	2025-1Q	Difference
Cash on Hand at Beginning of Period [1]	\$ 74,078,170	\$ 151,812,793	\$ (77,734,623)
<b>Receivership Activities</b>			
Interest	\$ 363,732	\$ 658,759	\$ (295,027)
Professional Fees and Expenses [2]	\$ (1,237,919)	\$ (1,299,317)	\$ 61,398
Tax Prepayments and Refunds	\$ (9,750)	\$ -	\$ (9,750)
Other Expenses	\$ -	\$ (3,100)	\$ 3,100
Net Winner Settlements	\$ 11,777	\$ -	\$ 11,777
<b>Total Cash Flow from Receivership Activities</b>	<b>\$ (872,160)</b>	<b>\$ (643,658)</b>	<b>\$ (228,502)</b>
<b>Distributions to Claimants</b>			
Class 3 (Investor Claimants - 45% Rising Tide)	\$ (10,756,788)	\$ (76,066,376)	\$ 65,309,588
Class 3A (Investor Claimants - 55% Rising Tide)	\$ (393,018)	\$ (774,839)	\$ 381,821
Class 4 (Unsecured Claimants)	\$ -	\$ (249,750)	\$ 249,750
<b>Total Cash Flow from Distributions to Claimants</b>	<b>\$ (11,149,806)</b>	<b>\$ (77,090,965)</b>	<b>\$ 65,941,159</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>\$ 62,056,204</b>	<b>\$ 74,078,170</b>	<b>\$ (12,021,966)</b>

**Notes**

[1] Cash flows from April 1, 2025 to June 30, 2025. These statements are unaudited and not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures.

[2] Fees paid in the Second Quarter 2025 were for work performed in the First Quarter 2025 and approved by the Court in the Second Quarter 2025, and so forth.