

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

CASE NO.: 2:09-CV-229-FTM-29SPC

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FOUNDING PARTNERS CAPITAL MANAGEMENT COMPANY,
and WILLIAM L. GUNLICKS,

Defendants,

FOUNDING PARTNERS STABLE-VALUE FUND, LP,
FOUNDING PARTNERS STABLE-VALUE FUND II, LP,
FOUNDING PARTNERS GLOBAL FUND, LTD., and
FOUNDING PARTNERS HYBRID-VALUE FUND, LP,

Relief Defendants.

**THE RECEIVER'S MOTION FOR
COURT APPROVAL OF SECOND INTERIM DISTRIBUTION OF FUNDS**

The Receiver Daniel S. Newman, not individually, but solely in his capacity as the Court-appointed receiver ("Receiver") for Founding Partners Capital Management Company ("FPCMC"); Founding Partners Stable-Value Fund, L.P. ("Stable Value"); Founding Partners Stable-Value Fund II, L.P. ("Stable Value II"); Founding Partners Global Fund, Ltd. ("Global Ltd.") and Founding Partners Hybrid-Value Fund, L.P. ("Hybrid Value") (Stable-Value, Stable Value II, Global Ltd., and Hybrid Value are collectively called the "Receivership Funds") (collectively, the Receivership Funds and FPCMC are called the "Receivership Entities"), hereby files this Motion for Court Approval of second interim distribution of funds ("Motion").

The Receiver is authorized to state that the Securities and Exchange Commission has no objection to the relief requested.

I. INTRODUCTION

A. Receiver's Authority

On May 20, 2009, the Court entered its Order Appointing Replacement Receiver and appointed Daniel Newman, Esq., as Receiver for the Receivership [D.E. 73, "Receivership Order"]. The Receivership Order placed the Receiver in charge of the Receivership Entities. *Id.* at 2-3. Pursuant to the Receivership Order, the Receiver was granted "full and exclusive power, duty, and authority to administer and manage the business affairs, funds, assets, choses in action and any other property of Founding Partners and the Founding Partners Relief Defendants; marshal and safeguard all of the assets of Founding Partners and the Founding Partners Relief Defendants; and take whatever actions are necessary for the protection of investors." *Id.* at 1-2. The Receivership Order required the Receiver to, among other things, make payments and disbursements from the funds and assets taken into control as necessary in discharging the Receiver's duties. *Id.* at 6.

B. Assets for Distribution

On December 30, 2010, the Receiver, represented by Beus Gilbert McGroder PLLC and Grossman Roth Yaffa Cohen, P.A. (together, "Special Counsel"), sued Ernst & Young LLP ("EY"), which was former auditor to Receivership Entities, along with the Receivership Entities' former counsel Mayer Brown LLP ("Mayer Brown"), for malpractice, among other claims. The lawsuit was filed in the Seventeenth Judicial Circuit in and for Broward County, Florida ("Broward Litigation"), and included arbitration before the American Arbitration Association ("AAA") (the "AAA Arbitration") and before the International Institute for Conflict Prevention

& Resolution (“CPR”) (the “CPR Arbitration” and together with the AAA Arbitration, the “Arbitrations”). The history of the Broward Litigation and Arbitrations are detailed in the Receiver’s status reports and other filings in this case.

The Receiver and EY agreed to a global settlement in principle in March 2023, after mediation. The mediation took place two weeks before the final hearing was scheduled to begin in the AAA Arbitration. After months of negotiation and preparing the settlement documents, the parties executed a Settlement Agreement dated July 24, 2023. The Settlement Agreement resolved all claims the Receiver had against EY in the Arbitrations and the Broward Litigation. The Receiver filed his Motion for Approval of Settlement Agreement with EY on August 1, 2023 (“Motion for Approval”). [D.E. 597]. Notices concerning the Motion for Approval were provided, and no timely objections were filed. The Court held a hearing on the Motion for Approval on October 25, 2023, and approved the Settlement Agreement.

On October 30, 2023, the Court entered its Amended Final Settlement Approval and Bar Order. [D.E. 613]. No timely notice of appeal was filed regarding the Amended Final Settlement Approval and Bar Order. Pursuant to the Court-approved settlement, the Receiver obtained \$200 million, plus interest in the amount of \$3,305,728.60, for a total of \$203,305,728.60 (the “Settlement Amount”).

On January 3, 2024, the Parties voluntarily dismissed, with prejudice, the Broward Litigation, the AAA Arbitration, and the CPR Arbitration.

On January 23, 2024, the Court approved payment of \$67,768,576.20 to Special Counsel in connection with the Settlement Agreement, pursuant to the Receiver’s contingency fee retainers with Special Counsel. [D.E. 627].

The Receiver files this Motion to obtain approval to make an interim distribution of \$155,000,000 to holders of claims (“Approved Claims”). [D.E. 430; D.E. 537]. The Receiver seeks to distribute monies recovered from the Settlement Amount and from previous recoveries. The distribution contains the vast majority of funds held by the Receivership. After the distribution, the Receivership accounts will be reduced to approximately \$12,000,000, to insure retention of sufficient funds to cover future costs and expenses of the Receivership, including its retained professionals, litigation reserves, tax reserves, if needed, and funds for unforeseen Receivership obligations. The Receiver believes the proposed distribution described in this Motion is in the best interests of the Receivership Estate and strikes the appropriate balance between the goal of distributing funds to holders of Approved Claims and the need to retain sufficient resources to manage the Receivership’s affairs and to cover the wind down and eventual end of the Receivership in the year 2024. The Receiver anticipates one final distribution to holders of Approved Claims prior to the end of calendar year 2024, in which funds remaining from the reserves, upon completion of the Receivership, will be included in a final distribution.

II. RECEIVER’S RECOMMENDATION FOR APPROVAL OF INTERIM DISTRIBUTION OF FUNDS

The Receiver seeks a ruling allowing a second interim distribution of proceeds totaling \$155,000,000, to holders of Approved Claims, in the amounts set forth in column 6 of Schedule A, attached as **Exhibit A**.

Schedule A lists, among other things: (1) Approved Claims, by Claimant No.;¹ (2) Court-approved claim amounts; (3) proposed distribution percentages (calculated by dividing each

¹ This number includes three (3) claims belonging to FPCMC.

approved claim amount by the total amount of Approved Claims); and (4) the proposed prorated distribution amount for each approved claim.²

III. RECEIVER'S RECOMMENDED OBJECTION PROCEDURE

The Court already entered orders approving claim amounts, and the methodologies for determining claim amounts, after holding a lengthy and involved objection process. [D.E. 430; D.E. 537]. Thus, the Court-approved claim amounts are not in dispute. For this reason, and to ensure a distribution is made to holders of Approved Claims as soon as possible, the Receiver proposes a more limited objection procedure for this distribution.

By submitting executed Proof of Claim Forms to the Receiver, all holders of Approved Claims have submitted to the exclusive jurisdiction of this Court for the purpose of resolving their claims, and therefore all necessary procedures and discovery can be set and conducted by this Court. *Alexander v. Hillman*, 296 U.S. 222, 238-239 (1935).

The Receiver proposes that sufficient notice will be provided to holders of Approved Claims by mailing or emailing to them (using the most recent contact information available to the Receiver) a copy of this Motion, the proposed Order, their applicable claim numbers, and a written notice stating that deadlines for objections will be set by the Court.

The Receiver further proposes to publish this Motion, the proposed Order, and the same written notice (without the identifying claimant information) on the Receivership website at www.foundingpartners-receivership.com.

² By way of example, Claimant No. 1 has a Court-approved claim amount of \$7,595,976, reflected in column 4 of Schedule A. The total amount of Court-approved claims is \$391,903,591, shown at the bottom of Schedule B. Thus, the proposed distribution percentage for Claimant No. 1 is calculated by dividing \$7,595,976 by \$391,903,591, which equals 1.93823% (rounded to five decimal places). The proposed prorated distribution amount to the holder of this claim is calculated by multiplying the 1.93823% proposed distribution percentage times the total distribution amount of \$155,000,000, which totals \$3,004,250 (with some slight deviation to account for rounding).

Considering the foregoing notice to holders of Approved Claims, the Receiver recommends that the Court adopt the following objection procedure (the “Objection Procedure”), which the Court also adopted for the first interim distribution at [D.E. 532]:

First, holders of Approved Claims will have fourteen (14) days from the entry of the Court’s order approving this Objection Procedure to respond in writing to the Receiver’s recommended distribution. Holders of Approved Claims shall both file their objections with the Court and send their objections to the Receiver at his office, care of Christopher Cavallo, Nelson Mullins Riley & Scarborough LLP, 2 South Biscayne Boulevard, Suite 2100, Miami, Florida 33131 **to be received** no later than fourteen (14) days from the entry of the Court’s order approving this Objection Procedure.

If a claimant does not object within the time frame provided, the Receiver’s distribution recommendations will be deemed sustained with prejudice with respect to such holders of Approved Claims, subject to Court approval, and the right of the holders of Approved Claims to object will be deemed irrevocably waived.

Second, the Receiver shall submit responses to timely-filed objections within ten (10) days from the final due date for objections.

Third, the Receiver recommends that the Court set a hearing on this Motion only if objections are filed and the Court determines a hearing is necessary.

IV. SUPPORT FOR THE RECEIVER’S RECOMMENDATIONS

A. Summary Proceedings

This Court has the authority to approve a summary process for approval of the Receiver’s proposed distributions. This Court’s power to supervise an equity receivership and to determine the appropriate action to be taken in the administration of the receivership is extremely broad.

SEC v. Hardy, 803 F.2d 1034, 1037 (9th Cir. 1986). “[I]t is a recognized principle of law that the district court has broad powers and wide discretion to determine the appropriate relief in an equity receivership.” *Id.*, citing *SEC v. Lincoln Thrift Ass’n*, 577 F.2d 600, 606 (9th Cir. 1978) and *SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 373 (5th Cir. 1982) (a court overseeing a receivership is accorded “wide discretionary powers” in light of “the concern for orderly administration”).

Allowing holders of Approved Claims an opportunity to object to this Motion provides sufficient due process. The use of summary proceedings in equity receiverships, as opposed to plenary proceeding, is within the jurisdictional authority of the federal district courts. *SEC v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992); *Hardy*, 803 F.2d at 1040. “A summary proceeding reduces the time necessary to settle disputes, decreases litigation costs, and prevents further dissipation of receivership assets.” *Elliot*, 953 F.2d at 1566 (citation omitted). Summary proceedings may be used to allow, disallow and subordinate claims of creditors. *Hardy*, 803 F.2d at 1040. “[A] district court does not generally abuse its discretion if its summary procedures permit parties to present evidence when facts are in dispute and to make arguments regarding those facts.” *Elliot*, 953 F.2d 1567.

As part of these summary proceedings, the Receiver may assert, and this Court may adjudicate, objections to the Receiver’s proposed distribution. By presenting their claims, holders of Approved Claims have submitted themselves to the jurisdiction of this Court for decision on any objections. *Alexander v. Hillman*, 296 U.S. 222, 238 (1935).

The Receiver believes the summary proceedings proposed herein strike a proper balance between efficiently resolving objections and distributing the assets of the Receivership Estate and providing all holders of Approved Claims an opportunity to be heard regarding the

distribution assets. Due process rights will be met by: (1) providing all holders of Approved Claims notice of the proposed distribution; (2) an opportunity to object to the relief sought in this Motion; and (3) if necessary, a hearing on timely objections. The Court adopted the same summary proceeding procedures for the first interim distribution in consideration of the foregoing factors. *See* [D.E. 532].

B. Pooling and *Pro Rata* Distribution

It is the Receiver's recommendation that the Receivership Funds be pooled for the purposes of a *pro rata* distribution to all claimants. Thus, for purposes of a distribution, investors in all Receivership Funds will be treated the same. The Court has already approved this distribution methodology, over at least one objection. [*See, e.g.*, D.E. 430, p. 14] ("the Court further finds that a pooled, *pro rata* distribution is appropriate under the circumstances because: (i) a unified scheme to defraud Investors existed; (ii) there is sufficient evidence to demonstrate that monies in the Receivership Funds may have been commingled; (iii) good cause exists to permit pooling; and (iv) the burden of conducting a non-pooled distribution weighs heavily in favor of permitting pooling").

V. CONCLUSION

The Receiver respectfully requests that the Court enter orders: (i) approving the Receiver's proposed objection schedule; and (ii) approving an interim distribution of \$155,000,000 to all holders of Approved Claims, as reflected in column 6 of Schedule A.³

³ In various other Orders, the Court gave the Receiver approval to recognize certain transfers of Approved Claims and update his books and records to reflect current holders of Approved Claims. [*See, e.g.*, D.E. 492, 549]. The Receiver's distributions will be consistent with the Court's approval orders. Moreover, the Receiver intends to file another motion for approval to reflect certain transfers on its books and records before the distribution contemplated in this Motion. If approved, any distribution to Approved Claimants will be consistent with the relief sought in that filing. The Receiver will not make distributions to the holders of Approved Claims discussed in this forthcoming transfer motion until the Court enters an order on that motion.

The Receiver's proposed order approving the Receiver's proposed objection and hearing schedule is attached as **Exhibit B**.

Dated: February 13, 2024

NELSON MULLINS

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By: Christopher Cavallo

Christopher Cavallo
Florida Bar No. 0092305
Jonathan Etra
Florida Bar No. 0686905

CERTIFICATE OF SERVICE

I hereby certify that on February 13, 2024, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF.

By: Christopher Cavallo

Christopher Cavallo

Schedule A to Motion for Second Interim Distribution
Receiver's Proposed Distributions

1	2	3	4	5	6
Claimant No.	Footnote Ref.	Fund Invested In	Court-approved Allowed Claim Amount	Proposed Distribution (%)	Proposed Prorated Distribution Amount
1	1	GF	7,595,976	1.93823%	\$ 3,004,250
2		HVF	110,000	0.02807%	\$ 43,506
3		HVF	245,000	0.06252%	\$ 96,899
4		HVF	80,000	0.02041%	\$ 31,640
5		HVF	130,000	0.03317%	\$ 51,416
6		HVF	1,017,000	0.25950%	\$ 402,229
7		HVF	510,000	0.13013%	\$ 201,708
8		SVF	28,000,000	7.14461%	\$ 11,074,152
9		SVF	5,385,667	1.37423%	\$ 2,130,061
10		SVF	5,000,000	1.27582%	\$ 1,977,527
11		SVF	4,051,000	1.03367%	\$ 1,602,193
12		SVF	4,000,000	1.02066%	\$ 1,582,022
13		SVF	3,650,000	0.93135%	\$ 1,443,595
14		SVF	3,425,000	0.87394%	\$ 1,354,606
15		SVF	3,371,968	0.86041%	\$ 1,333,632
16		SVF	2,110,000	0.53840%	\$ 834,516
17		SVF	2,050,000	0.52309%	\$ 810,786
18		SVF	2,000,000	0.51033%	\$ 791,011
19		SVF	1,700,000	0.43378%	\$ 672,359
20		SVF	1,500,000	0.38275%	\$ 593,258
21		SVF	1,354,000	0.34549%	\$ 535,514
22		SVF	1,300,000	0.33171%	\$ 514,157
23		SVF	1,250,000	0.31896%	\$ 494,382
24		SVF	900,000	0.22965%	\$ 355,955
25		SVF	850,000	0.21689%	\$ 336,180
26		SVF	833,000	0.21255%	\$ 329,456
27		SVF	805,000	0.20541%	\$ 318,382
28		SVF	800,000	0.20413%	\$ 316,404
29		SVF	700,000	0.17862%	\$ 276,854
30		SVF	650,000	0.16586%	\$ 257,079
31		SVF	640,000	0.16331%	\$ 253,123
32		SVF	600,000	0.15310%	\$ 237,303
33		SVF	600,000	0.15310%	\$ 237,303
34		SVF	600,000	0.15310%	\$ 237,303
35		SVF	567,000	0.14468%	\$ 224,252
36		SVF	542,000	0.13830%	\$ 214,364
37		SVF	500,000	0.12758%	\$ 197,753
38		SVF	500,000	0.12758%	\$ 197,753
39		SVF	500,000	0.12758%	\$ 197,753
40		SVF	500,000	0.12758%	\$ 197,753
41		SVF	500,000	0.12758%	\$ 197,753
42		SVF	500,000	0.12758%	\$ 197,753
43		SVF	500,000	0.12758%	\$ 197,753

Schedule A to Motion for Second Interim Distribution
Receiver's Proposed Distributions

1	2	3	4	5	6
Claimant No.	Footnote Ref.	Fund Invested In	Court-approved Allowed Claim Amount	Proposed Distribution (%)	Proposed Prorated Distribution Amount
44		SVF	500,000	0.12758%	\$ 197,753
45		SVF	500,000	0.12758%	\$ 197,753
46		SVF	500,000	0.12758%	\$ 197,753
47		SVF	500,000	0.12758%	\$ 197,753
48		SVF	500,000	0.12758%	\$ 197,753
49		SVFII	500,000	0.12758%	\$ 197,753
50		SVF	488,000	0.12452%	\$ 193,007
51		SVF	450,000	0.11482%	\$ 177,977
52		SVF	444,000	0.11329%	\$ 175,604
53		SVF	440,000	0.11227%	\$ 174,022
54		SVF	420,000	0.10717%	\$ 166,112
55		SVF	5,000,000	1.27582%	\$ 1,977,527
56		SVF	400,000	0.10207%	\$ 158,202
57		SVF	350,000	0.08931%	\$ 138,427
58		SVF	341,400	0.08711%	\$ 135,025
59		SVF	340,000	0.08676%	\$ 134,472
60		SVF	317,510	0.08102%	\$ 125,577
61		SVF	300,000	0.07655%	\$ 118,652
62		SVF	270,000	0.06889%	\$ 106,786
63		SVF	250,000	0.06379%	\$ 98,876
64		SVF	250,000	0.06379%	\$ 98,876
65		SVF	248,793	0.06348%	\$ 98,399
66		SVF	242,510	0.06188%	\$ 95,914
67		SVF	227,981	0.05817%	\$ 90,168
68		SVF	217,235	0.05543%	\$ 85,917
69		SVF	207,000	0.05282%	\$ 81,870
70		SVF	198,000	0.05052%	\$ 78,310
71		SVF	197,000	0.05027%	\$ 77,915
72		SVF	175,000	0.04465%	\$ 69,213
73		SVF	175,000	0.04465%	\$ 69,213
74		SVF	150,000	0.03827%	\$ 59,326
75		SVFII	1,750,000	0.44654%	\$ 692,135
76		SVF	150,000	0.03827%	\$ 59,326
77		SVF	150,000	0.03827%	\$ 59,326
78		SVF	140,000	0.03572%	\$ 55,371
79		SVF	127,500	0.03253%	\$ 50,427
80		SVF	123,495	0.03151%	\$ 48,843
81		SVF	110,000	0.02807%	\$ 43,506
82		SVF	100,000	0.02552%	\$ 39,551
83		SVF	100,000	0.02552%	\$ 39,551
84		SVF	66,800	0.01705%	\$ 26,420
85		SVF	54,250	0.01384%	\$ 21,456
86		SVFII	800,000	0.20413%	\$ 316,404

Schedule A to Motion for Second Interim Distribution
Receiver's Proposed Distributions

1	2	3	4	5	6
Claimant No.	Footnote Ref.	Fund Invested In	Court-approved Allowed Claim Amount	Proposed Distribution (%)	Proposed Prorated Distribution Amount
87		SVFII	500,000	0.12758%	\$ 197,753
88		SVFII	500,000	0.12758%	\$ 197,753
89		SVFII	500,000	0.12758%	\$ 197,753
90		SVFII	1,200,000	0.30620%	\$ 474,607
91		SVFII	500,000	0.12758%	\$ 197,753
92		SVFII	1,000,000	0.25516%	\$ 395,505
93		SVFII	125,000	0.03190%	\$ 49,438
94		SVFII	375,000	0.09569%	\$ 148,315
95		SVFII	250,000	0.06379%	\$ 98,876
96		SVFII	500,000	0.12758%	\$ 197,753
97		SVFII	600,000	0.15310%	\$ 237,303
98		SVFII	1,000,000	0.25516%	\$ 395,505
99		SVF	25,000	0.00638%	\$ 9,888
100		SVFII	500,000	0.12758%	\$ 197,753
101		SVFII	500,000	0.12758%	\$ 197,753
102		SVFII	160,000	0.04083%	\$ 63,281
103		SVFII	2,500,000	0.63791%	\$ 988,764
104		SVFII	175,000	0.04465%	\$ 69,213
105		SVFII	500,000	0.12758%	\$ 197,753
106		SVFII	1,000,000	0.25516%	\$ 395,505
107		SVFII	600,000	0.15310%	\$ 237,303
108		SVFII	500,000	0.12758%	\$ 197,753
109		SVFII	600,000	0.15310%	\$ 237,303
110		SVFII	500,000	0.12758%	\$ 197,753
111		SVFII	75,000	0.01914%	\$ 29,663
112		SVFII	1,500,000	0.38275%	\$ 593,258
113		SVFII	375,000	0.09569%	\$ 148,315
114		SVFII	1,000,000	0.25516%	\$ 395,505
115		SVFII	7,000,000	1.78615%	\$ 2,768,538
116		SVFII	1,270,000	0.32406%	\$ 502,292
117		SVFII	4,000,000	1.02066%	\$ 1,582,022
118		SVFII	1,600,000	0.40826%	\$ 632,809
119		SVFII	2,000,000	0.51033%	\$ 791,011
120		SVFII	5,000,000	1.27582%	\$ 1,977,527
121		SVFII	500,000	0.12758%	\$ 197,753
122		SVFII	500,000	0.12758%	\$ 197,753
123		SVFII	500,000	0.12758%	\$ 197,753
124		SVFII	2,250,000	0.57412%	\$ 889,887
125		SVFII	985,000	0.25134%	\$ 389,573
126		SVFII	400,000	0.10207%	\$ 158,202
127		SVFII	100,000	0.02552%	\$ 39,551
128		SVFII	646,000	0.16484%	\$ 255,497
129		SVFII	500,000	0.12758%	\$ 197,753

Schedule A to Motion for Second Interim Distribution
Receiver's Proposed Distributions

1	2	3	4	5	6
Claimant No.	Footnote Ref.	Fund Invested In	Court-approved Allowed Claim Amount	Proposed Distribution (%)	Proposed Prorated Distribution Amount
130		SVFII	1,000,000	0.25516%	\$ 395,505
131		SVFII	875,000	0.22327%	\$ 346,067
132		SVFII	1,325,000	0.33809%	\$ 524,045
133		SVFII	30,900,000	7.88459%	\$ 12,221,118
134		SVFII	3,500,000	0.89308%	\$ 1,384,269
135		SVFII	1,500,000	0.38275%	\$ 593,258
136		SVFII	1,000,000	0.25516%	\$ 395,505
137		SVFII	1,500,000	0.38275%	\$ 593,258
138		SVFII	500,000	0.12758%	\$ 197,753
139		SVFII	500,000	0.12758%	\$ 197,753
140		SVFII	1,780,000	0.45419%	\$ 704,000
141		SVFII	1,000,000	0.25516%	\$ 395,505
142		SVFII	500,000	0.12758%	\$ 197,753
143		SVFII	1,000,000	0.25516%	\$ 395,505
144		SVFII	500,000	0.12758%	\$ 197,753
145		SVFII	2,000,000	0.51033%	\$ 791,011
146		SVFII	1,500,000	0.38275%	\$ 593,258
147		SVFII	250,000	0.06379%	\$ 98,876
148		SVFII	1,000,000	0.25516%	\$ 395,505
149		SVFII	1,250,000	0.31896%	\$ 494,382
150		SVFII	500,000	0.12758%	\$ 197,753
151		SVFII	2,800,000	0.71446%	\$ 1,107,415
152		SVF	1,000,000	0.25516%	\$ 395,505
153		SVF	144,000	0.03674%	\$ 56,953
154	2	SVF	888,191	0.22664%	\$ 351,285
155	2	SVFII	500,000	0.12758%	\$ 197,753
156	2	HVF	1,089,749	0.27807%	\$ 431,001
184		SVFII	166,667	0.04253%	\$ 65,918
185		SVFII	166,667	0.04253%	\$ 65,918
186		SVFII	166,667	0.04253%	\$ 65,918
187		SVF	125,000	0.03190%	\$ 49,438
188		SVF	191,659	0.04890%	\$ 75,802
189		SVF	661,860	0.16888%	\$ 261,769
190		SVF	80,000	0.02041%	\$ 31,640
191		SVF	6,322,000	1.61315%	\$ 2,500,385
192		SVF	1,455,074	0.37128%	\$ 575,490
193		SVF	420,195	0.10722%	\$ 166,189
194		SVF	201,000	0.05129%	\$ 79,497
195		SVF	800,000	0.20413%	\$ 316,404
196		SVF	35,000	0.00893%	\$ 13,843
197		SVF	430,000	0.10972%	\$ 170,067
198		SVF	1,425,000	0.36361%	\$ 563,595
199		SVF	143,787	0.03669%	\$ 56,869

Schedule A to Motion for Second Interim Distribution
Receiver's Proposed Distributions

1	2	3	4	5	6
Claimant No.	Footnote Ref.	Fund Invested In	Court-approved Allowed Claim Amount	Proposed Distribution (%)	Proposed Prorated Distribution Amount
200		SVFII	2,000,000	0.51033%	\$ 791,011
201		SVF	1,375,000	0.35085%	\$ 543,820
202		SVF	324,800	0.08288%	\$ 128,460
203		SVF	442,400	0.11288%	\$ 174,972
204		SVF	499,000	0.12733%	\$ 197,357
205		SVF	645,000	0.16458%	\$ 255,101
206		SVF	165,543	0.04224%	\$ 65,473
207		SVF	1,168,655	0.29820%	\$ 462,210
208		SVF	550,000	0.14034%	\$ 217,528
213		SVF	23,690,000	6.04485%	\$ 9,369,524
214		SVF	10,755,000	2.74430%	\$ 4,253,661
215		HVF	24,276	0.00619%	\$ 9,601
216		SVF	28,290	0.00722%	\$ 11,189
217	3	GF	120,020,129	30.62491%	\$ 47,468,613
219		Creditor	44,621	0.01139%	\$ 17,648
220		Creditor	23,277	0.00594%	\$ 9,206
221		SVF	500,000	0.12758%	\$ 197,753
222		SVF	500,000	0.12758%	\$ 197,753
223		SVF	50,000	0.01276%	\$ 19,775
			\$ 391,903,591	100%	\$ 155,000,000

Note 1: For Claimant number 1 and all other claimants, the proposed distribution percentages in column 5 have been rounded to five decimal places.

Note 2: These claims belong to Founding Partners Capital Management Company, which invested in SVF, SVFII, and HVF, and is a Receivership Entity.

Note 3: Claimant 217 is an institutional investor that filed a proof of claim on behalf of the Global Fund Class A Inc. and B Inc. investors representing the net investment of such investors.

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

CASE NO.: 2:09-CV-229-JES-CM

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FOUNDING PARTNERS CAPITAL MANAGEMENT
and WILLIAM L. GUNLICKS,

Defendants,

FOUNDING PARTNERS STABLE-VALUE FUND, L.P.,
FOUNDING PARTNERS STABLE-VALUE FUND II, L.P.,
FOUNDING PARTNERS GLOBAL FUND, LTD., and
FOUNDING PARTNERS HYBRID-VALUE FUND, L.P.,

Relief Defendants.

_____ /

ORDER APPROVING RECEIVER'S PROPOSED OBJECTION PROCEDURE

This matter comes before the Court on the Receiver's Motion for Court Approval of Second Interim Distribution of Funds ("Motion") (Doc. #___) filed on February 13, 2024.

The Securities and Exchange Commission does not object to the relief sought by the Receiver in the Motion. The Court approves the objection procedures set forth by the Receiver and takes the Receiver's Motion under advisement pending completion of the objection procedures.

Accordingly, it is hereby

ORDERED:

1. The Receiver's proposed objection procedure in the Motion (Doc. #___) is approved to the extent that the following objection procedure is adopted:

- a. Holders of Approved Claims shall have 14 days from the date of this order to file an objection with the Court.
 - b. For any holder of an Approved Claim who does not object within the time frame provided in paragraph 1(a), the Receiver's Motion will be deemed sustained with prejudice as to that holder of an Approved Claim, and the right of the claimant to object will be deemed irrevocably waived.
 - c. The Receiver shall file any responses to timely filed objections within 10 days of the objection deadline.
 - d. The Court may set a hearing date on objections. If no hearing date is set, the Court will resolve the Receiver's Motion based on the written materials that have been timely filed.
 - e. The Receiver shall serve on holders of Approved Claims, by mail or email, a copy of this Motion, proposed order, applicable claim numbers, and a written notice stating that deadlines for objection will be set by the Court. The Receiver shall also publish this Motion, the proposed order, and the same written notice on the Receivership website at www.foundingpartners-receivership.com.
2. The Receiver's Motion is TAKEN UNDER ADVISEMENT pending completion of the objection schedule set forth above.

DONE AND ORDERED in Fort Myers, Florida, on this _____ day of
_____, 2024.

JOHN E. STEELE
SENIOR UNITED STATES DISTRICT JUDGE

Copies furnished:
All counsel of record