UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 20-CV-21964-CMA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TCA FUND MANAGEMENT GROUP CORP., *et al.*,

Defendants.
______________________________________/

RECEIVER'S SUR-SUR-REPLY IN FURTHER SUPPORT OF RECEIVER'S MOTION FOR APPROVAL OF DISTRIBUTION PLAN

Jonathan E. Perlman, Esq.
Florida Bar No. 773328
jperlman@gjb-law.com
Receiver for the Receivership Entities

-and-

GENOVESE JOBLOVE & BATTISTA, P.A.
100 Southeast 2nd Street, 44th Floor
Miami, FL 33131
Tel: (305) 349-2300
Gregory M. Garno, Esq.
Florida Bar No. 87505
ggarno@gjb-law.com
Patrick Kalbac, Esq.
Florida Bar No. 1011649
pkalbac@gjb-law.com
Jean-Pierre Bado, Esq.
Florida Bar No. 123486
jbado@gjb-law.com
Attorneys for Jonathan E. Perlman, Esq., Receiver for the Receivership Entities

Jonathan E. Perlman, Receiver over TCA Fund Management Group Corp. ("FMGC"), TCA Global Credit Fund GP, Ltd. ("GP"), TCA Global Credit Fund, LP ("Feeder Fund LP"), TCA Global Credit Fund, Ltd. ("Feeder Fund Ltd."), TCA Global Credit Master Fund, LP ("Master Fund") and TCA Global Lending Corp.("Lending Corp")(collectively, "Receivership Entities"), submits this Sur-Sur-Reply in support of Motion for approval of Rising Tide Distribution Plan ("Rising Tide Plan" or "Plan").

I. INTRODUCTION

In order to achieve an inequitable result that would run contrary to U.S. law and public policy by divesting the common investor of any participation in the proposed $54 million distributions, the Cayman Islands liquidators for Receivership Entity Feeder Fund Ltd. ("JOLs") recast this Receivership as an unprecedented abrogation of Cayman-dominant interests. Nothing could be further from the truth. As often the case, this Receivership arises out of an enforcement action brought by the SEC, the U.S. government agency charged with protecting securities markets and investors from U.S. securities laws violations and fraud, and involves a securities fraud emanating entirely from U.S. actors who operated a U.S.-based securities investment business from Florida, whose assets were mostly U.S. businesses, and whose victims, through two feeder funds, included U.S. and foreign investors (none of whom appear to be from the Cayman Islands). Feeder Fund Ltd.'s limited connection to Cayman is that even though it operated from the U.S. by U.S. citizens, it is registered as an "exempted" company in Cayman which statutorily prohibited it from conducting any substantive business in Cayman. Not surprisingly, U.S. courts have held that the "bar is rather high" for entities with "exempted" Cayman registration to receive any recognition whatsoever. *In re Bear Stearns*, 374 B.R. 122, 131 (Bankr. S.D.N.Y. 2007). Despite the predominance of U.S. interests and connections, and irreconcilable conflict between the U.S. and Cayman distribution schemes, the JOLs seek to have this Court ignore almost 100 years of

precedent and apply Cayman law to the benefit of the "redemption creditor" investors who had the JOLs appointed and who appear to be funding the JOLs' attempts to derail the Plan which treats all investors equally and is undisputedly fair and reasonable.

The JOLs' Sur-reply rehashes old arguments the Receiver previously addressed and makes new ones, while accusing the Receiver and government of intentionally ignoring facts, arguments, and the law. The JOLs do not rebut the Receiver's statement of facts – including that distributions under Cayman law would create fraudulent transfers, voidable preferences, and result in the JOLs and their litigation funders being able to significantly reduce this Court's distribution, without further oversight, by paying themselves first.

The JOLs' reargue their contention that this Court should ignore all binding distribution precedent as constituting unauthorized federal judge-created common law. They do so without addressing the Receiver's Reply on this issue, which explained, to the contrary, that the Court's source of power and broad discretion is an **express** grant of authority by Article III of the Constitution.[1] As explained in the Receiver's Motion and Reply, the Court is not bound to apply the laws of a foreign jurisdiction. The JOLs clearly have failed to satisfy their burden to show why Cayman law should trump U.S. law and public policy with respect to Feeder Fund Ltd. Respectfully, the JOLs' objections should be overruled.

[1] Likewise the JOLs' Reply fails to meaningfully address the Receiver's argument that the relief requested by the JOLs seek is contrary to Chapter 15 of the Bankruptcy Code. Rather, the JOLs, contend that Chapter 15 is only triggered when relief is sought by formal motion (a prerequisite absent from the statute), and that they, in fact, are not asking for any relief from the Court —even though that is clearly what they are doing.

II. ARGUMENT

A. U.S. interests and policy predominate over Cayman with respect to Feeder Fund Ltd under the unique facts of this case, and require denial of the JOLs' objections

1. *The Receiver's Plan appropriately considers all relevant facts and circumstances, and does not ignore the JOLs' Cayman distribution scheme*

Contrary to the JOLs' argument, the Receiver does not assert that U.S. Courts should simply ignore statutory law of a foreign jurisdictions. Rather, courts should order an equitable distribution according to the fact-specific circumstances of the case. *S.E.C. v. Kaleta*, 530 Fed. Appx. 360, 362 (5th Cir. 2013) ("[R]eceivership cases are highly fact-specific."). Nonetheless, in considering a proposed distribution plan, the court should be guided by the principle that the "goal" of a distribution in a fraud case "is to grant fair relief to as many investors as possible," *SEC v. Torchia*, 922 F. 3d 1307, 1311 (11th Cir. 2019), and to avoid preferring certain investors based on "fortuit[ies]," *SEC v. Elliott*, 953 F.2d 1560, 1570 (11th Cir. 1992), or their "success[] in the race of diligence." *Cunningham v. Brown*, 265 U.S. 1, 13 (1924). These principles are of even greater import where, as here, the competing foreign distribution scheme is diametrically opposed to U.S. policy to act "for the benefit of investors." *See* 15 U.S.C. § 78u(d)(5). For example, application of Cayman law would prefer investors who by mere "fortuitousness" (or perhaps even insider information) requested a redemption before other investors, which would wipe out any distribution for other investors. [*See* ECF No. 261 at 2-3,7-10].

The Receiver considered the facts of this case and determined that a distribution pursuant to Cayman law would undermine the SEC's "public policy mission of protecting investors and safeguarding the integrity of the markets," *In re Wyly*, 526 B.R. 194, 201 (Bankr. N.D. Tex. 2015). This decision was bolstered by the undisputed fact that Feeder Fund Ltd. was based, owned, and operated in the United States and its only connection to Cayman was a P.O. Box address.

The Receiver also took into consideration that Feeder Fund Ltd. is a Cayman Islands "exempted" company engaged in investment activities as an unregistered private investment fund, as one of the two feeder funds in which investors, including U.S. citizens,[2] invested. [*See* ECF No. 241-2 at 70, 79]. Like the other Receivership entities, Feeder Fund Ltd. is and has always been managed and operated out of Florida and other offices in the U.S. [*See* ECF No. 48 at 6-8, 15, 17]. None of the management or operational decisions of Feeder Fund Ltd. occurred in the Cayman Islands. [*Id.*] Moreover, as an exempted company under Part VII of the Companies Law of the Cayman Island it ***may not engage in business inside the Cayman Islands with citizens or residents,*** except to obtain internet, water, electricity, and other necessary services to run an office location. Companies Law (2020 Revision) of the Cayman Islands ("Companies Law") §§ 163, 174. Here, Feeder Fund Ltd. only maintained a P.O. Box in Cayman, had no Cayman employees and had no need even to contract in Cayman to provide any services necessary to run an office. Accordingly and as disclosed to investors [ECF No. 241-2 at 70, 79-80, 93-94], Feeder Fund Ltd., always intended to carry out its operations, management, administration, and economic activity in the U.S., *outside* the Cayman Islands and was required under Cayman law to do so. *See, e.g., In re Bear Stearns*, 374 B.R. at 132 (denying recognition of Cayman liquidators in part because the debtor was an "exempted" company statutorily barred from conducting business within the offshore registered jurisdiction).

Key decisions concerning the administration, operation, and management of Feeder Fund Ltd. and the other Receivership Entities were all made in the U.S. For example, the individuals and entities that made key decisions concerning the administration, operation, and management of

[2] The Receiver's professionals were unable to identify even one ultimate beneficial owner residing in the Cayman Islands.

Feeder Fund Ltd. were not located in the Caymans but the U.S. [*See* ECF No. 48 at 20 n.9]. Even the fund administrator, registrar, and transfer agent, Circle Investment Support Services ("Circle Partners"), which may have had a P.O. box in Cayman [ECF No. 241-2 at 68, 93], had no employees or office there according to the managing director for Circle Investment Support Services (Curacao) N.V. who provided investor support services. And actual accounting and fund administrative work, including NAV calculations and communications were handled by personnel in Orlando, Florida, who worked for Circle Investment Support Services (USA) LLC. [*See* ECF No. 48 at 22; ECF No. 241-2 at 93].

The Receiver also took into account the Fund's structure, including that Feeder Fund Ltd.'s primary asset was its interest in the U.S.-based Receivership Entity Lending Corp., a Nevada corporation, which served as the so-called "tax blocker" whose purpose was to reduce the U.S. taxes Feeder Fund Ltd investors would have to pay. [*See* ECF No. 48 at 8; ECF No. 241-2 at 79]. Consequently, Feeder Fund Ltd. did not directly invest or hold shares of the Master Fund. Instead, Feeder Fund Ltd.'s assets were "limited to only owning stock of [Lending Corp.] and debt securities of [Lending Corp.]." [ECF No. 241-2 at 148].

In short, contrary to the JOLs' assertions, rather than simple ignore Cayman's scheme, the Receiver's Plan takes into account all of the relevant facts and circumstances, including binding precedent on equitable distributions, the special importance of U.S. public policy in this case, the impact special treatment for Feeder Fund Ltd would have on all investors and stakeholders, how best to fairly maximize investor return, the Entities' U.S. center for operations, Feeder Fund Ltd.'s exempted Cayman registration, and comity.

2. *The Receiver's Plan follows the law*

The JOLs' contention that the Receiver's Plan fails to "follow the law" is also meritless. The law that must be followed here is a fair and equitable distribution. *SEC v. Wealth Management*

LLC, 628 F.3d 323, 332 (7th Cir. 2010). The JOLs do not—and cannot—contend that the Receiver's Plan does not conform to this longstanding legal precedent.

Rather, the JOLs would have this Court believe that it should, and in fact is required to, follow Cayman statutory law even though under the facts of this case, to do so would be to overrule the critical guiding principles of U.S. equity court distribution law, in a case where an important public policy established by Act of Congress also exists. If all of that were not enough, given Cayman's minimal interests consisting predominantly of an "exempt" Cayman registration, relief in the name of comity or on any other basis would clearly be contrary to law.

As part of this same section, the JOLs further complain that the Receiver (and SEC) did not discuss the *Pearson v Primeo Fund* [2020] UKPC 3 ("Primeo 2020") decision cited by the JOLs. The Receiver did not discuss *Primeo*, because it stands for the one proposition that all parties agree upon—that the Cayman statutory scheme is in direct derogation of U.S. equity receivership law when applied to the specific facts of this case.[3] As further illustrated by *Stutts v. Premier Benefit Capital Trust*, 1992-1993 CILR 605 (Grand Court, Nov. 16, 1993), courts in Cayman would also refuse any attempt by the Receiver to invoke equity in Cayman, as doing so would give effect to the "public law of the United States." *Id*. at 607-12.[4] If Cayman courts do not allow Cayman liquidators to invoke equity principles to make an equitable distribution, why

[3] As the JOLs stated, the UK-based Privy Council "reject[ed] an effort by Cayman liquidators to invoke . . . equity" in "derogation" of Cayman law. [ECF No. 268 at 5.] Further, the *Primeo* court stated, "the tree must lie where it falls." [*Id*.]. Here, the tree was always in Florida and fell here.

[4] The JOLs' suggestion that the age of the *Stutts* opinion should call it into question, without any case law showing that it has been overruled or called into doubt, is undeserving of a response.

should this Court disregard American law in favor of Cayman law which would lead to the same inequitable result? The answer is obvious. This court should not.[5]

The JOLs next assert that the Receiver is "absolutely and categorically wrong" to mention Cayman's lack of reciprocity as factor militating against applying Cayman law in this case. [ECF No. 268 at 5]. This argument too fails. For while it is true that reciprocity does not appear in Chapter 15, this is not a Chapter 15 insolvency case. As much as the JOLs wish it to be otherwise, this is not a liquidation. This case is a federal equitable receivership. As such, reciprocity is "always a permissible consideration" when addressing comity. *See, e.g.*, *Daewoo Motor Am., Inc. v. Gen. Motors Corp*., 315 B.R. 148, 160 (M.D. Fla. 2004).

Lastly, the JOLs assert that the Receiver "misleadingly overlooks [an] easy fix . . . adopted in countless other cases" where the receiver "arrange[d] for the appointment of the Receiver as a joint liquidator along with a Cayman-resident insolvency practitioner in compliance with Cayman law, " and that this demonstrates the Receiver's "obvious intent is to defy [the] obligation to cooperate, and instead run the JOLs and Cayman law over with a freight train called 'equity' that makes no effort to . . . follow the law." [ECF No. 268 at 6]. Respectfully, this argument is not made in good faith. The JOLs know from cooperative discussions that the Receiver filed a motion seeking permission to become a Cayman liquidator for Feeder Fund LP and Master Fund that the Court denied. [ECF No. 28].

[5] *See also SEC v. Quan*, 870 F.3d 754, 762-63 (8th Cir. 2017) (affirming district court decision to approve pro rata distribution where complainants cited "no case law requiring a district court to favor one class of investors over another in an equity receivership compensating fraud victims.").

B. The JOLs are incorrect once again on the source of this Court's powers as a court of equity to approve an equitable distribution scheme

The JOLs continue to denigrate this Court's powers as a court of equity, including the power to approve an equitable distribution scheme, as stemming from "federal common law." As explained in the Receiver's Reply, the Court's equity court power is expressly granted by Article III of the Constitution. The JOLs, nonetheless, still cling to this argument, albeit narrowing it to be "directed solely to the distribution scheme . . . specifically to the application of the judicially created 'rising tide' method" which the JOLs claim that even district courts, constitutionally vested with the historical powers of a court of equity, lack authority to do. [ECF No. 268 at 7 (citing *Atherton v. FDIC*, 519 U.S. 213, 218 (1997).] This argument is still wrong, and contrary to settled and binding authority.

A district court, sitting as a court of equity, "has broad powers and wide discretion to determine relief . . . [which] derives from the inherent powers of an equity court to fashion relief." *SEC v. Elliott*, 953 F.2d at 1566. Fashioning an equitable distribution falls into the inherent powers of an equity court. *See, e.g.*, *Pollard v. Bailey*, 87 U.S. 520, 525 (1874) (stating power to make a distribution "calls specially for the exercise of the powers of a court of equity, which can bring before it all the necessary parties and adjust all their rights."); *Russell v. Todd*, 309 U.S. 280, 286 (1940) ("[D]istribution could not be effected among creditors without resort to the power traditionally that of a court of equity to make its determination of the rights of the parties.").

It is therefore clear that in a federal equity receivership action, the district court is empowered to ensure that "any distribution should be done equitably and fairly, with similarly situated investors or customers treated alike," *SEC v. Credit Bancorp. Ltd.*, 2000 WL 1752979, at *13 (S.D.N.Y. Nov. 29, 2000), and similarly situated groups be treated equally because "equality is equity." *Elliot*, 953 F.2d at 1570. In short, the court's traditional authority to require and create

equitable distribution plans comes not from federal common law—but from this Court's Article III authority.

And assuming—*arguendo*—that the JOLs were correct that a "unique federal interest" is required for the Court to approve an equitable distribution scheme (and they are not), that is easily satisfied here. The entirety of the Securities Act of 1933 and the Exchange Act of 1934 show that the United States has a strong federal interest in protecting investors, creating and empowering the SEC to investigate fraud and other bad actors who seek to use the American financial system for unearned pecuniary gains, and ensuring equitable relief through the federal courts for the benefit of investors. *See, e.g.*, 15 U.S.C. § 77a *et seq*., 15 U.S.C. § 78a *et seq*.; *see also Liu v. Sec. & Exch. Comm'n*, 140 S. Ct. 1936, 1940 (2020) ("Congress authorized the SEC to enforce the Securities Act of 1933 and the Securities Exchange Act of 1934 and to punish securities fraud through administrative and civil proceedings . . . In civil actions, the SEC can seek civil penalties and equitable relief" and any "'Federal court may grant . . . any equitable relief that may be appropriate or necessary for the benefit of investors.'") (quoting 15 U.S.C § 78u(d)(5)) (cleaned up). Contrary to the myopic argument put forth by the JOLs, 15 U.S.C § 78u(d)(5) is directly on point. The Supreme Court has determined that the term "equitable relief," when used similarly to the way in which it is employed in 15 U.S.C. § 78u(d)(5), means "those categories of relief that were typically available in equity." *Great West Life & Annuity Ins. Co. v. Knudson*, 534 U.S. 204, 210 (2002).

As stated here and in prior briefs, equitable distribution was always a remedy available for a court of equity. Therefore, it is Article III and not a "federal rule of decision" that empowers this court of equity to make the equitable distribution that the Receiver seeks.

C. Contrary to the JOLs arguments, courts regularly disregard foreign law when deciding equitable relief in favor of federal equitable distribution

Much has been said by the JOLs that this case is of "first impression" where foreign law is discarded *over objection* in favor of a federal equitable distribution scheme. This argument flies in the face of easily identifiable precedent – some of which the Receiver has already identified for the JOLs. Indeed, as identified in the Receiver's reply, in *Wealth Management LLC*, 628 F.3d at 333, the Seventh Circuit affirmed the decision of the district court which rejected the objector's argument that the receiver was required to follow state law, and even held that even if state law applied, there would be no preference for creditors. In the case itself, the Eastern District of Wisconsin court rejected the application of law from the state in which it sat. *Id.* Specifically, the Seventh Circuit disregarded the argument put forth by objectors that they were "legally entitled to preference" when it came to the planned distribution. *Id.* at 334. Tellingly, the JOLs make no reference to this case, as it destroys their argument that this is a case of first impression.

But this is not the only example. *See, e.g.*, *United States v. Vanguard Inv. Co.*, 6 F.3d 222, 226 (4th Cir. 1993) (where claimant alleged state law made him a creditor and entitled to equitable remedies, court held "[g]iven its equitable nature and purposes, a district court supervising such a receivership has the discretionary power to deny . . . remedies as inimical to receivership purposes even though they are or might be warranted under controlling law."); *SEC v. Mgmt. Sols., Inc.*, 2013 WL 594738, at *3 (D. Utah Feb. 15, 2013) ("The purpose of receiverships . . . is to provide some remedy to victims [and] [a]llowing certain remedies provided by state law to specific entities and not to other similarly situated entities would go against the very purpose of the receivership."). Thus, if a district court is free to reject the laws of the forum state or other competing states in favor of equitable distribution under federal law, this Court can reject foreign law as well.

D. The JOLs' newly framed "investor expectation" argument also fails

The JOLs, acknowledging the frivolity of their claim that the unilateral choice of law provision that only bound subscribers somehow created an enforceable expectation as to applicable law in Fund distributions and liquidations, now pivot to the Fund's documents *generally* to prop up their expectation of investor argument. Alas, these documents do not help either. As to the formation documents [ECF No. 241-1], they too contain no choice of law provision regarding disputes or lawsuits. *Cf. In re Ascot Fund Limited*, 603 B.R. 271, 285 (Bankr. S.D.N.Y. 2019) ("Each investor agreed to submit to the jurisdiction of the Cayman courts to adjudicate any dispute arising out of the Subscription Agreement or transactions relating thereto. And under the Deeds of Acknowledgement and Waiver, which are subject to Cayman law, the Objector agreed to submit to the exclusive jurisdiction of the Cayman courts with respect to disputes." (*Id*. (internal citations omitted)). In fact, the document contemplates that rights of shareholders could be suspended if necessary to comply with anti-money laundering laws and regulations applicable to Feeder Fund Ltd., the Master Fund, or TCA Fund Management Group Corp. (the "Investment Manager.") [ECF No. 241-1 at ¶ 62.] As all the Receivership Entities were subject to the jurisdiction of the SEC, and the Investment Manager was a Florida corporation, the formation documents are neutral as to choice of law and provide no evidence towards investors expecting Cayman law to apply in this action. Tellingly, the JOLs cite no case law to support this futile position.

Furthermore, looking at the subscription agreement generally, the agreement is replete with references to investors having to comply with U.S. federal laws, including anti-terrorist financing regulations, taxation regulations, and federal regulator requirements. [ECF No. 241-2 at S-9-S-13.] The potential that an investor, who violated the laws of the United States through investing in Feeder Fund Ltd., would face the imposition of American law, is readily apparent. So too, therefore, it must be apparent, as Feeder Fund Ltd. was specifically investing in American assets

with an American Investment Manager, imposition of U.S. law against the companies would flow back through the companies to the feeder funds. Any other result would allow foreign lawbreakers to violate safeguards, promulgated by Congress and the SEC to protect investors, with impunity.

Finally, the JOLs take umbrage with the Receiver's assertion that 99% of stakeholders have accepted his distribution plan by stating that "many" of Feeder Fund Ltd.'s stakeholders are relying on the JOLs to address their concern. But even if the Court were to assume that all 100 stakeholders (out of 1400) who benefit from the arguments the JOLs advance agree with it, almost 93% of investors accepted the Plan. As the Receiver stated in his Reply, this "speaks volumes."

E. The JOLs' repeated reliance upon cases where receivers were able to voluntarily agree upon a distribution plan with foreign representatives is unhelpful here

The JOLs accuse the Receiver and SEC of ignoring three cases where the SEC or a Receiver cooperated with a Cayman liquidator. Those cases do not stand for the propositions that the JOLs are asserting. There *is* a meaningful distinction between this case and those "[s]pate of [c]ases." And presumably, in those cases unlike here, the result of the receiver becoming a joint-liquidator was not to wipe out all recovery by the general investor class, in favor of a redemption investor class. *See In re Income Collecting 1-3 Month T-Bills Mutual Fund*, Chapter 15 Case No. 21-11601(DSJ), Dkt. No. 22-1, at 10 (Bankr. S.D.N.Y. Feb. 17, 2022) ("compromise" was "substantially in the best interests of all stakeholders in the liquidation."). As the SEC acknowledged in its Reply [ECF No. 261 at 10], those three cases stand only for the proposition that the SEC is "not reflexively opposed to comity provided that investors are protected." There is nothing in those decisions obligating the SEC or the Receiver to follow Cayman law. In fact, "in fashioning relief in an equity receivership, a district court has discretion to summarily reject formalistic arguments that would otherwise be available in a traditional lawsuit." *Broadbent v. Advantage Software, Inc.*, 415 Fed. Appx. 73, 78 (10th Cir. 2011); *see Liberte Capital Grp. v.*

Capwill, 148 Fed. Appx. 426, 434 (6th Cir. 2005) ("[A] court sitting in equity has the discretionary authority to deny state law remedies as inimical to the receivership."); *United States v. Vanguard Inv. Co.*, 6 F.3d 222, 227 (4th Cir. 1993) ("[A] district court in its discretionary supervision of an equitable receivership may deny remedies like rescission and restitution where the equities of the situation suggest such a denial would be appropriate.").

The JOLs purposefully ignore the fact that the Receiver has spent a great deal of time and effort attempting to cooperate with the JOLs, including discussing potential protocols, ultimately agreeing to provide rights to be consulted on matters material to Feeder Fund Ltd, and stipulating to limited "non-main" recognition and a right to be heard before this Court.

F. <u>The attempt by the JOLs to re-frame the relief requested in their opposition motion is absurd</u>

The JOLs in their Sur-Reply do not mention the Receiver's extensive briefing demonstrating that the relief they are requesting is contrary to Chapter 15, which controls relief available to foreign representatives. This is because the positions and requests asserted by the JOLs exceed their lone source of authority. Specifically, 11 U.S.C. § 1521 "limits the scope of relief available in a nonmain proceeding to relief related to assets located in the non-main jurisdiction or closely connected thereto . . ." *In re Bear Stearns High-Grade Structured Credit Strategies Master Fund, Ltd.*, 389 B.R. 325, 339 (S.D.N.Y. 2008). In the instant case, Feeder Fund Ltd.'s only asset is shares in a Nevada entity—Lending Corp. The positions the JOLs have taken have nothing to do with these shares and would negatively impact the investors of other entities who are unrelated to Feeder Fund. Simply put, there is no legal authority to buttress the overreaching requests by the JOLs in opposing the Receiver's Plan.

Similarly, to avoid Chapter 15's preclusion of the relief they seek, the JOLs claim that their objections "seek . . . no relief or assistance" in this "consolidated" Chapter 15 case, and that in

any event, relief sought by Objection, as opposed to by "application or motion" does not count! [ECF No. 268 at 10-11, and n.13]. Respectfully, the JOLs' argument is frivolous in both regards. First, Chapter 15 contains no requirement or limitation on the form in which the request for relief is made for it to count. Secondly, the JOLs have expressly requested the following further relief and additional assistance in their papers, including:

- "The Court should deny the distribution motion and direct the Receiver and [the JOLs] to present a joint motion or protocol to govern the distribution to stakeholders of Feeder Fund Ltd., or invoke the JIN Guidelines" [ECF No. 240 at 20.]
- "The accommodations . . . should apply here as well – whether imposed by the Court in the form of a separate distribution scheme for Feeder Fund Ltd. or by denial of the Distribution Motion and direction to the Receiver and Foreign Representatives to cooperate and seek agreement on an acceptable distribution mechanism through joint motion and/or protocol." [*Id*. at 23-24.]

The JOLs do far more than merely "interpose an objection" to the Receiver's distribution plan – they seek to substitute their inequitable distribution scheme for the Receiver's Plan. This runs afoul of Section 1507, as detailed in the Receiver's Reply. The JOLs' requests exceed the limited powers afforded them under Chapter 15 and this Court's order recognizing them.

III. CONCLUSION

For the foregoing further reasons, the Court should grant the Receiver's Motion to Approve the Distribution Plan and First Interim Distribution.

Dated: June 27, 2022
Miami, Florida

Respectfully Submitted,

Jonathan E. Perlman, Esq.
Florida Bar No. 773328
jperlman@gjb-law.com
Receiver for the Receivership Entities

-and-

GENOVESE JOBLOVE & BATTISTA, P.A.
100 Southeast 2nd Street, 44th Floor
Miami, FL 33131
Tel: (305) 349-2300
Gregory M. Garno, Esq.
Florida Bar No. 87505
ggarno@gjb-law.com
Elizabeth G. McIntosh. Esq.
Florida Bar No. 1011555
emcintosh@gjb-law.com
Jean-Pierre Bado, Esq.
Florida Bar No. 123486
jbado@gjb-law.com
Attorneys for Jonathan E. Perlman, Esq.,
Receiver for the Receivership Entities

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served via CM/ECF Notification and/or U.S. Mail to all parties and notification of such filing to all CM/ECF participants in this case on the 9th day of June, 2022. In addition, proper, timely, adequate, and sufficient notice of the Motion was provided via email to the investors, stakeholders, and/or interested parties' email addresses listed in Exhibit G of the Motion [E.C.F. No. 208-7] and via email and/or U.S. mail to all known non-investor creditors listed in Exhibit H to the Motion [E.C.F. No. 208-8].

/s/ *Gregory M. Garno*______________
Attorney