

1 JELENA MCWILLIAMS  
1601 K STREET NW  
2 WASHINGTON, D.C. 2006-1682  
3 jmcwilliams@cravath.com  
Tel. 1-202-869-7710  
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10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
**SAN FERNANDO VALLEY DIVISION**

12 In re

13 SYNAPSE FINANCIAL TECHNOLOGIES,  
14 INC.,

15 Debtor.  
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Case No. 1:24-bk-10646-MB

Chapter 11

**CHAPTER 11 TRUSTEE'S THIRTEENTH  
STATUS REPORT**

DATE: December 3, 2024

TIME: 10:00 a.m. PT

PLACE: 303

21041 Burbank Boulevard  
Woodland Hills, CA 91367 and  
Via ZoomGov

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1 TO THE HONORABLE MARTIN BARASH, UNITED STATES BANKRUPTCY JUDGE,  
2 THE OFFICE OF THE UNITED STATES TRUSTEE AND INTERESTED PARTIES:

3 I, Jelena McWilliams (the “Trustee”), the duly appointed, qualified and acting chapter 11  
4 trustee for the estate of Debtor Synapse Financial Technologies, Inc. (“Synapse” or the “Debtor”),  
5 hereby submit my thirteenth “Chapter 11 Trustee’s Status Report” (the “Report”) and represent as  
6 follows:

7 **I.**

8 **TIMELINE OF EVENTS**

9 **A. Filing of the Chapter 11 Case and Appointment of Chapter 11 Trustee**

10 On April 22, 2024, the Debtor filed a voluntary chapter 11 petition, schedules and statement  
11 of financial affairs.

12 On May 24, 2024, following a hearing, the Court entered an order appointing a chapter 11  
13 trustee (the “Appointment Order”), and Jelena McWilliams was appointed by the U.S. Trustee as the  
14 Chapter 11 Trustee in this Chapter 11 Case (the “Case”). [Dkt. No. 196].

15 On June 6, 2024, the Trustee filed the “Chapter 11 Trustee’s Initial Status Report” (the “Initial  
16 Report”), and, on June 7, 2024, the Trustee presented the Initial Report at a Status Conference before  
17 the Court. On June 13, 2024, the Trustee filed the “Chapter 11 Trustee’s Second Status Report” (the  
18 “Second Report”), and, on June 14, 2024, the Trustee presented the Second Report at a Status  
19 Conference before the Court. On June 20, 2024, the Trustee filed the “Chapter 11 Trustee’s Third  
20 Status Report” (the “Third Report”), and, on June 21, 2024, the Trustee presented the Third Report at  
21 a Status Conference before the Court. On July 2, 2024, the Trustee filed the “Chapter 11 Trustee’s  
22 Fourth Status Report” (the “Fourth Report”), and, on July 3, 2024, the Trustee presented the Fourth  
23 Report at a Status Conference before the Court. On July 16, 2024, the Trustee filed the “Chapter 11  
24 Trustee’s Fifth Status Report” (the “Fifth Report”), and, on July 17, 2024, the Trustee presented the  
25 Fifth Report at a Status Conference before the Court. On July 31, 2024, the Trustee filed the “Chapter  
26 11 Trustee’s Sixth Status Report” (the “Sixth Report”), and, on August 1, 2024, the Trustee presented  
27 the Sixth Report at a Status Conference before the Court. On August 13, 2024, the Trustee filed the  
28 “Chapter 11 Trustee’s Seventh Status Report” (the “Seventh Report”), and, on August 14, 2024, the

1 Trustee presented the Seventh Report at a Status Conference before the Court. On August 29, 2024,  
2 the Trustee filed the “Chapter 11 Trustee’s Eighth Status Report” (the “Eighth Report”), and, on  
3 August 30, 2024, the Trustee presented the Eighth Report at a Status Conference before the Court. On  
4 September 12, 2024, the Trustee filed the “Chapter 11 Trustee’s Ninth Status Report” (the “Ninth  
5 Report”), and, on September 13, 2024, the Trustee presented the Ninth Report at a Status Conference  
6 before the Court. On September 26, 2024, the Trustee filed the “Chapter 11 Trustee’s Tenth Status  
7 Report” (the “Tenth Report”), and, on September 27, 2024, the Trustee presented the Tenth Report at  
8 a Status Conference before the Court. On October 22, 2024 the Trustee filed the “Chapter 11 Trustee’s  
9 Eleventh Status Report” (the “Eleventh Report”), and, on October 23, 2024, the Trustee presented the  
10 Eleventh Report at a Status Conference before the Court. On November 12, 2024 the Trustee filed the  
11 “Chapter 11 Trustee’s Twelfth Status Report” (the “Twelfth Report”), and, on November 13, 2024,  
12 the Trustee presented the Twelfth Report at a Status Conference before the Court. Additional  
13 information about the timeline of events in this Case and the Debtor’s historical business operations  
14 can be found in these previous reports.

15 **B. Update on Ledger Reconciliation and Release of End User Funds**

16 The schedules below summarize the partial distributions made by Partner Banks to Synapse-  
17 related end users since May 24, 2024. Since the Twelfth Report, dated November 12, 2024, AMG,  
18 Lineage and Evolve have made new distributions and have distributed the great majority of the funds  
19 they hold for end users.

20 Additionally, AMG and Lineage and Evolve have voluntarily provided their own reports with  
21 additional details of their reconciliation efforts and distributions to date, which are attached to this  
22 Report as **Exhibit A**, **Exhibit B** and **Exhibit C**. The inclusion of these reports as appendices is not an  
23 endorsement by the Trustee of positions taken by any particular Partner Bank and is solely for  
24 informational purposes.

25 ***1. Reconciliation to Date***

26 To date, the reconciliation work of the Partner Banks has enabled the return of over \$191  
27 million in end user funds, which is 87% of the total \$219 million funds reported to be held for end  
28 users as of May 2024. However, as discussed at the previous status conference, many end users still

1 have not received the amount of deposits due to them based on the Synapse ledger. The Trustee  
2 remains acutely aware of the ongoing impacts to end users and is continuing to facilitate reconciliation  
3 efforts to the extent possible in light of the lack of estate resources.

4 The Trustee is aware that Evolve is continuing to make distributions, and that, through its  
5 distribution process, Evolve has notified certain end users that it holds funds for that it will pay to such  
6 end users amounts considerably less than the amounts shown on the Synapse ledger. The Trustee is  
7 further aware from direct communications from end users and publicly available information that  
8 certain end users who have submitted through Evolve’s reconciliation portal appeals of Evolve’s  
9 distribution decisions and supporting documentation, including personal transaction histories, have  
10 received denials of those appeals.

11 The Trustee is encouraged by the Partner Banks’ public statements in support of further  
12 information sharing and inter-bank funds tracing and is working to share and preserve estate records  
13 accordingly. *First*, Partner Banks and Fintech Platforms have requested additional aggregate data  
14 views and records from the Synapse estate to facilitate further reconciliation and funds tracing, which  
15 the Trustee team has or is working to identify and share securely. *Second*, the Trustee team is exploring  
16 options to cost-effectively and securely outsource certain reconciliation work to appropriate third  
17 parties, considering data complexity and privacy constraints. *Third*, the Trustee is evaluating paths for  
18 the disposition of estate assets that best preserve and make available Synapse data and records to  
19 parties in interest for long-term reconciliation and recovery efforts.

20 **2. DDA Reconciliation and Distributions**

21 Since the Twelfth Report, no additional DDA funds have been distributed, as detailed below.  
22 As reported previously, of the approximate \$6,500,000 aggregate DDA Funds held by Evolve and  
23 Lineage on the date of the Trustee’s appointment, \$5,884,188, or approximately 91%, have been  
24 distributed to date, with \$615,000, or approximately 9%, remaining to be distributed.

<b>DDA Funds Summary<sup>1</sup></b>					
	<b>American Bank</b>	<b>AMG National Trust</b>	<b>Evolve Bank and Trust</b>	<b>Lineage Bank</b>	<b>Total Funds</b>
<b>Funds Held on May 24, 2024</b>	N/A	N/A	\$6,260,000	\$276,849	\$6,535,000

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<sup>1</sup> Partner Banks have reported to the Trustee certain numbers in approximations.

1	<b>Funds Distributed as of June 21, 2024</b>	N/A	N/A	\$5,369,000	\$198,601	\$5,567,601
2						
3	<b>Funds Distributed as of September 26, 2024</b>	N/A	N/A	\$5,492,857	\$221,756	\$5,714,613
4						
5	<b>Funds Distributed as of December 2, 2024</b>	N/A	N/A	\$5,662,432	\$221,756	\$5,884,188
6						
7	<b>Remaining Funds on December 2, 2024</b>	N/A	N/A	\$600,000	\$55,092	\$650,000
8						
9						

10  
11 Since the Twelfth Report, Partner Banks have reported the below status and issues related to  
12 distributions of DDA funds.

<b>DDA Funds Distributions Progress</b>			
	<b>Funds Held on May 24, 2024</b>	<b>Total Funds Distributed as of December 2, 2024</b>	<b>Percentage of Funds Distributed</b>
13			
14			
15	<b>American Bank</b>	N/A	N/A
16	<b>AMG National Trust</b>	N/A	N/A
17	<b>Evolve Bank and Trust</b>	\$6,260,000	\$5,662,432
18	<b>Lineage Bank</b>	\$276,849	\$221,756
19	<b>Total DDA Funds</b>	\$6,500,000	\$5,884,188
20			91%
21			80%
22			91%

- 23 • Evolve reports that it has distributed \$5,662,432 in DDA funds for 42,032 end users across 8 platforms. Evolve is continuing to work to distribute the remaining approximate \$600,000 in DDA funds for an additional 1,042 end users and is now investigating the extent to which additional platforms and end users not yet identified may be entitled to DDA funds. Evolve reports its investigation is nearing completion and it expects to make additional DDA distributions once this research is complete.
- 24 • Lineage has DDA distributions to date of \$221,277 to end users, representing 80% of the DDA funds held at Lineage as of May 24, 2024. The remaining 20% (approximately \$55,000) are not end user funds but rather funds held for the platforms themselves.

- Neither American Bank nor AMG holds any DDA funds for Synapse end users.

The Trustee is not aware of any reported shortfall between cash held in DDAs at the Partner Banks and the amounts owed to DDA end users as shown on the Synapse trial balances. The Trustee believes that Partner Banks should be able to successfully repay the remaining DDA funds in the near future.

**3. FBO Account Reconciliation and Distributions**

Since the Twelfth Report, an additional \$57,737 in FBO funds has been distributed by AMG, an additional \$609,524 in FBO funds has been distributed by Lineage and Evolve has received payment instructions and is in the process of distributing approximately \$24,600,000 in FBO funds. Overall, of the \$219,077,467 aggregate FBO Funds held by AMG, American Bank, Evolve and Lineage on the date of the Trustee’s appointment, \$191,389,238, or approximately 87%, have been distributed to date, with \$27,688,229, or approximately 13%, remaining to be distributed. To be clear, the Trustee expresses no opinion as to whether the liability of any Partner Bank to end users is limited to amounts currently held in FBO or DDA accounts.

<b><u>FBO Funds Summary<sup>2</sup></u></b>					
	<b>American Bank</b>	<b>AMG National Trust</b>	<b>Evolve Bank and Trust</b>	<b>Lineage Bank</b>	<b>Total Funds</b>
<b>Funds Held on May 24, 2024</b>	\$43,339	\$110,290,040	\$46,926,558	\$61,817,530	\$219,077,467
<b>Funds Distributed as of May 24, 2024</b>	\$0	\$55,000,000	\$0	\$0	\$55,000,000
<b>Funds Distributed as of July 2, 2024</b>	\$0	\$100,769,819	\$0	\$0	\$100,769,819
<b>Funds Distributed as of July 16, 2024</b>	\$0	\$104,025,366	\$0	\$0	\$104,025,366

<sup>2</sup> Partner Banks have reported to the Trustee certain numbers in approximations.

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<b>Funds Distributed as of July 31, 2024</b>	\$0	\$105,026,528	\$0	\$0	\$105,026,528
<b>Funds Distributed as of August 14, 2024</b>	\$0	\$106,070,956	\$0	\$0	\$106,070,956
<b>Funds Distributed as of August 29, 2024</b>	\$0	\$109,270,681	\$0	\$49,200,617	\$158,471,298
<b>Funds Distributed as of September 12, 2024</b>	\$0	\$109,448,277	\$0	\$55,787,437	\$55,787,437
<b>Funds Distributed as of September 26, 2024</b>	\$0	\$109,546,087	\$0	\$55,797,262	\$165,343,349
<b>Funds Distributed as of October 22, 2024</b>	\$0	\$109,758,479	\$0	\$55,841,856	\$165,600,335
<b>Funds Distributed as of November 12, 2024</b>	\$0	\$109,869,963	\$21,000,000	\$56,252,015	\$187,121,489
<b>Funds Distributed as of December 2, 2024<sup>3</sup></b>	\$0	\$109,927,700	\$24,600,000	\$56,861,538	\$191,389,238
<b>Remaining Funds on December 2, 2024</b>	\$43,339	\$391,120	\$22,326,558	\$4,955,992	\$27,717,009

<sup>3</sup> Some Partner Banks have reported its FBO distributions as of their last business day of the immediate preceding week.

1 Partner Banks have reported the status and issues related to distributions of FBO funds as  
2 detailed below.

<b>FBO Funds Distributions Progress</b>			
	<b>Funds Held on May 24, 2024</b>	<b>Total Funds Distributed as of December 2, 2024</b>	<b>Percentage of Funds Distributed</b>
<b>American Bank</b>	\$43,339	\$0	0%
<b>AMG National Trust</b>	\$110,290,040	\$109,927,700	99%
<b>Evolve Bank and Trust</b>	\$46,926,558	\$24,600,000	52%
<b>Lineage Bank</b>	\$61,817,530	\$56,861,538	92%
<b>Total Funds</b>	\$219,077,467	\$191,389,238	87%

- As of December 2, 2024, American Bank holds approximately \$42,339.67 of potential commercial end user funds. American Bank has informed the Trustee that it is investigating the status of these funds and hopes to work with Partner Banks to verify the funds in the near future.
- As of November 29, 2024, AMG has paid out \$\$109,927,700 (99.7% of total FBO funds held by AMG) for the benefit of approximately 91,400 end users, either paid directly to end users or to custodial banks for user check payments or operating Fintech Partners' credit to end users. Of the total payments, AMG has paid out 100% of balances (~\$89.1 million) for 12 Fintech Partners and their over 85,000 users and has made partial payments (~\$20.8 million) for an additional 10 Fintech Partners and their over 6,000 users. AMG has \$391,120 in FBO funds left to distribute on behalf of 10 Fintech Partners and their over 9,000 end users (includes Fintech Partners where only partial payments were made and where issues with distributions exist). For Juno end users, AMG has paid out \$2,369,360, with \$128,740 remaining to pay. The largest Juno end user balance remaining at AMG is \$18,011. For Yotta end users, AMG has paid out \$1,334,833, with \$128,422 remaining to pay. The largest Yotta end user balance remaining at AMG is \$16,420. AMG is also working on reprocessing return payments of approximately \$29,000. AMG will continue to work with fintech platforms to process distributions and is awaiting payment instructions for all remaining balances. AMG and several fintech platforms are having difficulty obtaining current payment



1 information from end users, which AMG expects will continue to slow future payment  
2 activity. Additionally, AMG holds funds of \$1.00 or less without current payment  
3 information for approximately 5,100 (56%) remaining end users. End users are  
4 encouraged to make sure their fintech platform provider has current payment  
5 information regardless of the size of the balance. End users who have received emails  
6 or phone calls from AMG are encouraged to contact AMG promptly. AMG's main  
7 phone number is 303-694-2190. AMG also holds \$150,845.19 in unallocated interest  
8 associated with Synapse Brokerage sweep network deposits, which was transferred into  
9 AMG FBO Accounts on June 7, 2024.

- 10 • As of November 27, 2024, Evolve reports that end users have selected payment  
11 methods for over \$24,600,000 in FBO funds, which Evolve is in the process of  
12 distributing to end users from Juno, YieldStreet, Yotta, Clerkie and other platforms.  
13 Evolve reports that the option for end users to select a preferred payment option will  
14 stay open until December 4, 2024, after which Evolve will prepare checks to distribute  
15 any remaining funds.
- 16 • As of December 2, Lineage has paid out \$56,861,538 for the benefit of 10,104 end  
17 users, which represents 92% of the total FBO funds held at Lineage on May 24, 2024.  
18 For the remaining funds, Lineage reports that it is working diligently to complete  
19 reconciliation and obtain payment instructions to make distributions.
- 20 • There is no update to the aggregate \$65 million to \$95 million estimated shortfall since  
21 the Twelfth Report.

22 **C. Meetings with Parties in Interest**

23 Since November 13, 2024, the Trustee and her advisors have had follow-up meetings and  
24 communications with known parties in interest as well as initial meetings and communications with  
25 additional constituents. These meetings and communications have included: communications with the  
26 Partner Banks to discuss progress, issues and requests that have arisen in the reconciliation process;  
27 communications with former Synapse officers regarding technical and operational matters of the  
28 Synapse business to facilitate reconciliation and prepare estate assets for a potential sale;

1 communications with certain affected end users to discuss inquiries and updates about reconciliation  
2 progress; communications with certain key vendors to ensure records preservation and to plan efficient  
3 data transition; and communications with potential purchasers of Synapse assets.

4 **D. Asset Sale**

5 The Trustee filed a Sale Motion and Bidding Procedures Motion on October 7, 2024 to  
6 formalize a sale process to receive the highest and best bid for some or all assets of the Debtor's estate.  
7 [Dkt. Nos. 396 and 395]. On October 17, 2024, the Court entered an Order approving the Bidding  
8 Procedures. [Dkt. No. 410]. As of the time of this Report, the Trustee has not received any actionable  
9 bids for Synapse assets. Accordingly, on November 26, 2024, the Trustee filed a Notice of  
10 Adjournment of the Sale Hearing (originally scheduled for December 2, 2024). [Dkt. No. 462].

11 The Trustee continues to have open lines of communication with interested parties and may  
12 seek to amend the Bidding Procedures to reschedule an auction or proceed with a private sale if one  
13 or more actionable bids are received in the near future.

14 **E. Conversion**

15 The Trustee believes this Case should remain in chapter 11 for the time being and, as of the  
16 time of this Report, is not seeking conversion to chapter 7.

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DATED: December 2, 2024

**JELENA MCWILLIAMS**  
**CHAPTER 11 TRUSTEE**

By: /s/ Jelena McWilliams

Jelena McWilliams  
Chapter 11 Trustee

###

# Exhibit A

**Joint Status Update from  
AMG National Trust (“AMG”) and Lineage Bank (“Lineage”)  
December 2, 2024**

As urged by the bankruptcy court and the bankruptcy trustee for Synapse Financial Technologies (“Synapse”), AMG and Lineage continue to: (1) give top priority to paying appropriate balances to the impacted account holders/customers of the fintechs that partnered with Synapse; and (2) confirm inter-bank transfers and address the issue of insufficient funds, which has been the critical issue since Synapse closed and issued its final trial balance.

Lineage and AMG have reconciled all Synapse-related money movements in and out of both institutions. AMG and Lineage have also reconciled the transactions between the two institutions and are working on a combined report of Cash Flow Summaries to share with the Trustee. Lineage and AMG remain willing to work with Synapse and Evolve Bank & Trust to exchange information that might be useful in locating and understanding the source and amount of the shortfall and any identified or apparent discrepancies.

# Exhibit B

**AMG National Trust Bank ("AMG") Trustee Status Update  
December 2, 2024**

**Summary**

As requested by the bankruptcy court for Synapse Financial Technologies' ("Synapse"), AMG continues to give top priority to paying out appropriate balances to impacted fintech account holders/end users. Since May 24, 2024, **AMG has paid out over \$109 million** of the \$110 million (96.7%) it started with in the Synapse bankruptcy. We also have had an external third-party CPA firm audit the transactions in the Synapse Brokerage deposit accounts held at AMG, reporting no irregularities or exceptions.

**Insufficient Funds**

Since day one of the Synapse bankruptcy, the critical issue has been the apparent insufficient funds held compared to the Synapse-provided trial balances. The bankruptcy trustee first reported on this in her June 7 status report. However, because the priority has been to pay out as many fintech account holders/end users as soon as possible, initial efforts focused on confirming individual user balances on the Synapse-provided trial balances.

**Individual End User Balances:**

It now appears that the individual end user balances were correct on the Synapse-provided trial balances, with some reconciling items. AMG began paying out the balances on its Synapse trial balance in May 2024. Lineage reported starting to pay out based on Synapse's trial balance in August. Although Evolve reportedly is not paying out based on its Synapse trial balance, or what Evolve calls the "System Ecosystem Balances," many end users have publicly reported that the balances they expected to receive agree with Evolve's reported "Synapse Ecosystem Balances," for example, one person posted on Reddit (emphasis added):

***"A little confused***

*So I got an email on Nov 4th like a bunch of others and it said that **Evolve payment was \$0** and the **Synapse Ecosystem is \$204.93, which was an accurate amount that i had in Yotta. ... "***

**Bank Funds Compared to Total Trial Balance Amounts:**

AMG has reconciled its inter-bank transfers with Lineage and American. Its auditors requested that Evolve confirm the net transfers between Evolve and AMG, but Evolve did not respond. We remain willing to work with all involved persons to create a combined report of cash flow summaries to share with the Trustee.

Although Evolve's reconciliation reported finalized on October 18 basically was done in a black box with little transparency, Evolve did reveal that it included only the period starting September 30, 2023. Without providing any explanation, it appears that Evolve is attempting to attribute any Synapse-related shortfall to the last 8 months of Synapse's existence even though Evolve has been Synapse's first and primary banking relationship since Synapse's inception in 2017 and even though Synapse reported Evolve account discrepancies prior to October 2023.

One person describes some relevant questions on Reddit as:

*"Interesting. Among other things, I'm wondering how, if they transferred all the money in Oct 2023 out of Evolve, did some people (like myself) have all their money in Evolve during the reconciliation? I opened my Juno account in early 2022 and had ongoing deposits until accounts were frozen early this year. I made a large withdrawal (20k) when they reduced the interest rate early this year and just missed getting out my last 7k before funds froze. Others must have withdrawn funds during that same period for similar reasons. Were they just taking money haphazardly from different accounts to fill user withdrawal requests in the weeks leading up to the freeze? There are still large gaps in the stories being told."*

**Data Sharing**

AMG has been and remains committed to reconciling cash flows across all of the banks involved, and in that vein is publicly sharing the following summary of AMG’s reconciliation of the Synapse Brokerage accounts f/b/o its Customers held at AMG since the inception of AMG accepting deposits from Synapse Brokerage in August 2023. AMG never combined any non-Synapse Brokerage funds with Synapse Brokerage accounts, and there are no other accounts at AMG related or relevant to Synapse. AMG never held any accounts for Synapse Financial Technologies, any fintechs, or their account holders. If each bank can create something similar beginning from when it first started working with the Synapse entities, perhaps we can discover what issues really exist.

<b>AMG National Trust Bank</b>		
<b>BaaS Funds fbo Synapse Brokerage Customers</b>		
<b>As of November 29, 2024</b>		
	<b>Funds To/(From)</b>	
<b>From Inception to May 8, 2024</b>	<b>AMG</b>	
Inter-bank transfers, net	\$ 41,236,644.69	Confirmed with all banks other than Evolve
Platform Processing =2/15/24-5/7/2024	\$ 1,778,624.46	For 4 platforms; since then >99% of it paid
Synapse Withdrawals	\$ (4,242,331.78)	ADMC Interest
<b>Net Receipts to May 8</b>	<b>\$ 38,772,937.37</b>	
Platform Processing 5/8/2024 - 5/17/24	\$ (15,920,958.09)	End user withdrawals after sale terminated 5/8/24
Receipts from banks for payout	\$ 87,593,104.84	Evolve & Lineage had stopped processing
Synapse Withdrawals	\$ (155,044.02)	ADMC Interest
<b>Net Receipts just prior to Synapse Closing</b>	<b>\$ 110,290,040.10</b>	
<b>May 17, 2024 Synape Trial Balance for AMG</b>	<b>\$ 110,290,040.10</b>	
<b>End User Payments May 24, 2024 and after</b>		
Trial Balance Paid	\$ 109,927,700.34	
Trial Balance Remaining Payouts	\$ 362,339.76	
Returns	\$ 28,780.34	
Interest Remaining to Pay Out	\$ 150,845.19	
Trial Balance Remaining Payouts	\$ 541,965.29	
G/L Balance	\$ 541,965.29	
Difference	\$ 0.00	



# Exhibit C

## **Evolve Bank & Trust: Update on Release of End User Funds**

Evolve Bank & Trust (“Evolve” or “Bank”) is providing this update to the Trustee and parties in the interest of documenting the Bank’s continued progress in distributing funds belonging to end users of Synapse Financial Technologies, Inc. (“Synapse”), Synapse Brokerage LLC (“Synapse Brokerage”), and fintech platforms that partnered with Synapse and Synapse Brokerage (“Platforms”).

### **I. Evolve Continues to Distribute Funds to Synapse Brokerage End Users and Review Appeals**

As reported previously, Evolve began issuing payments to end users with funds at Evolve on November 5, 2024, and is continuing to distribute end user balances it held. Evolve is also processing end user appeals of their payments.

As of December 2, 2024, Synapse Brokerage end users have received directly through an online payment service, or selected a payment method to receive, over \$24.7 million in funds from Evolve.

For those who selected a payment method to receive their disbursement, Evolve is in the process of distributing those funds. End users from a variety of fintech platforms, including Juno/OnJuno, YieldStreet, Yotta, and Clerkie, have all made payment elections. The option to elect a preferred payment method will be available until December 4, 2024, after which Evolve will prepare checks to distribute funds by U.S. Postal Service to any end users who are owed a payment from Evolve and have not elected a payment method. Evolve expects to mail checks on or about December 19, 2024.

For those individuals who disagree with the reconciliation’s findings with respect to their own account, Evolve established an online appeal process on the Reconciliation Website ([reconciliationbyevolve.com](https://reconciliationbyevolve.com)). As of December 4, 2024, less than 6.5% of Synapse Brokerage end users have submitted an appeal regarding their reconstructed ecosystem balance and/or Evolve payment. End users who receive check payments after December 19, 2024, will still be able to appeal the amount they receive after that date.

### **II. Evolve Published an Open Letter to Synapse Brokerage End Users**

On November 27, 2024, Evolve published an Open Letter to end users at the Reconciliation Website ([reconciliationbyevolve.com](https://reconciliationbyevolve.com)) with an update on Evolve’s actions relating to the disbursement of funds and additional information in response to common end user questions Evolve has received as part of the appeal process.

**III. Evolve Is Committed to Determining the Location of End User Funds**

As discussed at the November 13, 2024, status conference, Evolve has offered to share its transactional data with other Synapse ecosystem banks, and has sought the same from them to determine the location of end user funds. Evolve is now in substantive discussions with other ecosystem banks to share that information, and we are optimistic that we will all be able to work together to obtain the information that Ankura needs for its analysis. As soon as Evolve has the requested data and necessary information, Evolve will direct Ankura to determine ecosystem-wide where end user funds are held.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

Cravath, Swaine & Moore LLP, 2 Manhattan West, 375 Ninth Avenue, New York, NY 10001

A true and correct copy of the foregoing document entitled (*specify*): \_\_\_\_\_

CHAPTER 11 TRUSTEE'S THIRTEENTH STATUS REPORT

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will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 12/2/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Ron Bender rb@lnbyg.com  
David A Berkley david.berkley@wbd-us.com, mary.koo@wbd-us.com;Sul.Lee@wbd-us.com  
J Scott Bovitz bovitz@bovitz-spitzer.com  
Rudy J Cerone rcerone@mcglinchey.com, lgraff@mcglinchey.com;jingargiola@mcglinchey.com  
Sara Chenetz schenetz@perkinscoie.com, docketLA@perkinscoie.com; cmallahi@perkinscoie.com;  
jkulow@perkinscoie.com;chenetz-sara-perkins-coie-8670@ecf.pacerpro.com;rleibowitz@perkinscoie.com  
Russell Clementson russell.clementson@usdoj.gov  
Andrew Michael Cummings andrew.cummings@hklaw.com,  
philip.dobbs@hklaw.com;hapi@hklaw.com;reena.kaur@hklaw.com  
Michael G. Farag mfarag@gibsondunn.com  
Jacqueline Foroutan jacqueline.foroutan@akerman.com  
Paul R. Glassman pglassman@stradlinglaw.com  
Nicholas Christian Glenos cglenos@bradley.com  
Michael H Goldstein mgoldstein@goodwinprocter.com, ASchaefer@goodwinlaw.com  
Michael I. Gottfried mgottfried@elkinskalt.com,  
cavila@elkinskalt.com,lwageman@elkinskalt.com,docketing@elkinskalt.com,tparizad@elkinskalt.com  
Steven T Gubner sgubner@bg.law, ecf@bg.law  
Ralph P Guenther rguenther@guentherlawgroup.com  
Robert T. Honeywell robert.honeywell@klgates.com  
Lance N Jurich ljurich@loeb.com,  
pmatsuda@loeb.com;ladocket@loeb.com;ljurich@ecf.courtdrive.com;fmckeown@loeb.com  
Jane Kim jkim@kellerbenvvenuti.com  
Monica Y Kim myk@lnbyg.com, myk@ecf.inforuptcy.com  
Jeffrey C Krause jkrause@gibsondunn.com, dtrujillo@gibsondunn.com;jstern@gibsondunn.com  
William J Levant wlevant@kaplaw.com, wlevant@gmail.com  
Adam A Lewis alewis@mofo.com, adam-lewis-3473@ecf.pacerpro.com  
Norman Norman Lueck dennis.lueck@akerman.com, katie.solem@akerman.com  
Jelena McWilliams (TR) jmcwilliams@cravath.com, mao@cravath.com  
Krikor J Meshefejian kjm@lnbyg.com  
Fred Neufeld fneufeld@stradlinglaw.com, tingman@sycr.com  
Valerie Bantner Peo vbantnerpeo@buchalter.com  
David M Poitras dpoitras@bg.law  
Jeremy V Richards jrichards@kbkllp.com, bdassa@pszjlaw.com;imorris@pszjlaw.com  
Holly Roark holly@roarklawboise.com, RoarkLawOffices@jubileebk.net  
Paul M Rosenblatt prosenblatt@kilpatricktownsend.com, moroberts@ktslaw.com  
Thomas B Rupp trupp@kbkllp.com  
Brandy A Sargent brandy.sargent@klgates.com, litigation.docketing@klgates.com;janna.leasy@klgates.com  
Callan C Searcy bk-csearcy@texasattorneygeneral.gov

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.

Zev Shechtman Zev.Shechtman@saul.com, zshechtman@ecf.inforuptcy.com;hannah.richmond@saul.com  
Jason D Strabo jstrabo@mwe.com, jbishopjones@mwe.com  
United States Trustee (SV) ustpregion16.wh.ecf@usdoj.gov  
Jeffrey C Wisler jwisler@connollygallagher.com, dperkins@connollygallagher.com  
Claire K Wu claire.wu@pillsburylaw.com, renee.evans@pillsburylaw.com;docket@pillsburylaw.com  
Beth Ann R. Young bry@lnbyg.com, bry@lnbyb.com

Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On *(date)* 12/2/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

None.

Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on *(date)* 12/2/2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

None.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

12/2/2024

Date

Robert N. Greenfield

Printed Name

/s/ Robert N. Greenfield

Signature