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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION

In re SYNAPSE FINANCIAL TECHNOLOGIES, INC., Debtor.	Case No. 1:24-bk-10646-MB Chapter 11 **CHAPTER 11 TRUSTEE'S SIXTEENTH STATUS REPORT** DATE: April 11, 2025 TIME: 10:00 a.m. PT PLACE: 303 21041 Burbank Boulevard Woodland Hills, CA 91367 and Via ZoomGov

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

I, Jelena McWilliams (the "Trustee"), the duly appointed, qualified and acting chapter 11 trustee for the estate of Debtor Synapse Financial Technologies, Inc. ("Synapse" or the "Debtor"), hereby submit my sixteenth "Chapter 11 Trustee's Status Report" (the "Report") and represent as follows:

I.

TIMELINE OF EVENTS

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

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

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

On June 6, 2024, the Trustee filed the "Chapter 11 Trustee's Initial Status Report" (the "Initial Report"), and, on June 7, 2024, the Trustee presented the Initial Report at a Status Conference before the Court. On June 13, 2024, the Trustee filed the "Chapter 11 Trustee's Second Status Report" (the "Second Report"), and, on June 14, 2024, the Trustee presented the Second Report at a Status Conference before the Court. On June 20, 2024, the Trustee filed the "Chapter 11 Trustee's Third Status Report" (the "Third Report"), and, on June 21, 2024, the Trustee presented the Third Report at a Status Conference before the Court. On July 2, 2024, the Trustee filed the "Chapter 11 Trustee's Fourth Status Report" (the "Fourth Report"), and, on July 3, 2024, the Trustee presented the Fourth Report at a Status Conference before the Court. On July 16, 2024, the Trustee filed the "Chapter 11 Trustee's Fifth Status Report" (the "Fifth Report"), and, on July 17, 2024, the Trustee presented the Fifth Report at a Status Conference before the Court. On July 31, 2024, the Trustee filed the "Chapter 11 Trustee's Sixth Status Report" (the "Sixth Report"), and, on August 1, 2024, the Trustee presented the Sixth Report at a Status Conference before the Court. On August 13, 2024, the Trustee filed the "Chapter 11 Trustee's Seventh Status Report" (the "Seventh Report"),

and, on August 14, 2024, the Trustee presented the Seventh Report at a Status Conference before the Court. On August 29, 2024, the Trustee filed the "Chapter 11 Trustee's Eighth Status Report" (the "Eighth Report"), and, on August 30, 2024, the Trustee presented the Eighth Report at a Status Conference before the Court. On September 12, 2024, the Trustee filed the "Chapter 11 Trustee's Ninth Status Report" (the "Ninth Report"), and, on September 13, 2024, the Trustee presented the Ninth Report at a Status Conference before the Court. On September 26, 2024, the Trustee filed the "Chapter 11 Trustee's Tenth Status Report" (the "Tenth Report"), and, on September 27, 2024, the Trustee presented the Tenth Report at a Status Conference before the Court. On October 22, 2024 the Trustee filed the "Chapter 11 Trustee's Eleventh Status Report" (the "Eleventh Report"), and, on October 23, 2024, the Trustee presented the Eleventh Report at a Status Conference before the Court. On November 12, 2024 the Trustee filed the "Chapter 11 Trustee's Twelfth Status Report" (the "Twelfth Report"), and, on November 13, 2024, the Trustee presented the Twelfth Report at a Status Conference before the Court. On December 2, 2024 the Trustee filed the "Chapter 11 Trustee's Thirteenth Status Report" (the "Thirteenth Report"), and, on December 3, 2024, the Trustee presented the Thirteenth Report at a Status Conference before the Court. On January 6, 2025 the Trustee filed the "Chapter 11 Trustee's Fourteenth Status Report" (the "Fourteenth Report"), and, on January 7, 2025, the Trustee presented the Fourteenth Report at a Status Conference before the Court. On February 6, 2025 the Trustee filed the "Chapter 11 Trustee's Fifteenth Status Report" (the "Fifteenth Report"), and, on February 7, 2025, the Trustee presented the Fifteenth Report at a Status Conference before the Court. Additional information about the timeline of events in this Case and the Debtor's historical business operations can be found in these previous reports.

B. Status of Reconciliation and Release of End User Funds

As previously reported the Trustee understands that the Partner Banks have paid to end users the vast majority of the $219 million that were frozen as of May 2024. Distributions are ongoing, with Partner Banks continuing to pay out additional amounts based on reconciliation findings, confirmation of payment instructions and the reprocessing of failed payments.

As discussed in previous Reports, it appears that a shortfall between the amount of funds held at some Partner Banks and funds expected to be held based on the Synapse ledger existed prior

to Synapse's bankruptcy. As a result, many end users still have not received their expected amount of funds and these amounts are subject to ongoing appeals processes and litigation.

Due to the significant costs and complexities of maintaining and interpreting Synapse's data and systems and the lack of estate resources, the Trustee and her professionals have wound down estate reconciliation activities.

C. Data Preservation, Access and Analysis

As of the time of this report, copies of the MongoDB ledger and copies of two AWS data subsets consisting of historical trial balance data and reconciliation files have been produced to the Partner Banks. After extensive outreach and discussions, no party has come forward to assume legal custody and the costs of preserving additional Synapse data beyond the final disposition of this Case.

D. Asset Sales

The Trustee and her professionals analyzed several inquiries and deal proposals regarding Synapse assets during the course of this Case. Due to the estate's lack of resources and significant amount of debt, no feasible deals could be reached that would allow meaningful value to be returned to the estate. As of the time of the report, the Trustee has concluded negotiations and determined there are no actionable opportunities for a sale of the debtor's assets.

E. Dismissal or Conversion

The Trustee will conclude necessary estate administration activities and intends to file a motion seeking dismissal of this Case or, in the alternative, conversion of this Case to chapter 7, as appropriate.

DATED: April 10, 2025

JELENA MCWILLIAMS
CHAPTER 11 TRUSTEE

By: */S/ Jelena McWilliams*
Jelena McWilliams
Chapter 11 Trustee

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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, Two Manhattan West, 375 Ninth Avenue, New York, NY 10001

A true and correct copy of the foregoing document entitled (*specify*): _____
CHAPTER 11 TRUSTEE'S SIXTEENTH STATUS REPORT
_____
_____
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*) 4/10/2025, 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
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☐ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:
On (*date*) 4/10/2025, 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*) 4/10/2025, 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.

4/10/2025	Robert N. Greenfield	/s/ *Robert N. Greenfield*
Date	*Printed Name*	*Signature*