

1. PRELIMINARY STATEMENT

As this Court is aware, over the course of the preceding two years, the Receivership Team¹ has reconciled more than 150,000 claims and made more than 100,000 Distributions to Affiliates with Allowed Claims. Despite the Receivership Team's best efforts, more than 44,000 Affiliates who hold allowable claims against the Receivership Defendant have failed to submit the required OFAC Certification and Release (the "Required Information") that would permit such Affiliates (each a "Subject Affiliate") to convert their allowable claims into Allowed Claims. Holding an Allowed Claim permits the Subject Affiliate to receive a distribution. The Receivership Team has tried on multiple occasions to contact the Subject Affiliates to request that each provide the Required Information on the Claim Portal. First, the Receivership Team notified the Subject Affiliates when their respective claims had been reviewed. Thereafter, the Receivership Team has periodically contacted the Subject Affiliates via email and through numerous postings on the Receivership website to remind the Subject Affiliates to submit the Required Information. The most recent communications were on October 1, 2016 and November 1, 2016. In those communications, the Receivership Team informed the Subject Affiliates that if they failed to submit the Required Information by December 31, 2016, the Receiver would deny the Subject Affiliate's claim and cause the Subject Affiliate to forfeit the Distribution (collectively, the "Claim Forfeiture"). The Receivership Team intends to provide the Subject Affiliates with an additional notice, by email and another posting to the receivership website, of their impending Claim Forfeiture and an additional request to provide the Required Information on or about December 1, 2016. While the Receivership Team believes that the Claim Forfeiture is within the discretion granted to the Receiver in the Order, the Receiver is seeking approval of this Court to ensure that all Subject Affiliates have received due process.

¹ Capitalized terms used but not defined herein have the meanings ascribed them in the Order.

The Receiver intends to redistribute to holders of Allowed Claims any funds released from reserves on account of a Claim Forfeiture.

II. BACKGROUND

1. On March 26, 2014, the Court approved the Receiver's distribution plan through the Order.

2. Paragraph 37 of the Order provides that "[t]he holder of a Claim that fails to provide ... a (i) Release, (ii) [], or (iii) an OFAC Certificate, shall be deemed to have forfeited any distribution to which they would otherwise be entitled...."

3. The Receivership Team has allowed in excess of 120,000 claims. However, more than 44,000 claimants have failed to provide the information Required Information.

4. The Receiver has, by virtue of Paragraph 37 of the Order, the authority to deem the distributions payable to the Subject Affiliates as forfeited.

5. Prior to enforcing Paragraph 37, the Receiver has contacted the Subject Affiliates numerous times in an effort to get the Subject Affiliate to provide the Required Information. Such contacts have included notices published on the Receivership website and email communications directed to each Subject Affiliate's contact information on file. The Receiver will contact the Subject Affiliates again on December 1, 2016 seeking to have them provide the Required Information prior to deeming any such claim disallowed and the distribution on account of such claim forfeited.

6. The Receiver has determined that it would be prudent to have this Court affirm his authority to deem the claims of the Subject Affiliates who fail to provide the Required

Information by December 31, 2016 as disallowed and the distributions to be paid on account of such claims as forfeited pursuant to Paragraph 37 of the Order.

7. The Receiver intends to use any such forfeited distributions to make further distributions to the holders of Allowed Claims.

III. RELIEF REQUESTED

8. By this Motion, the Receiver requests that this Court affirm that he has the authority and discretion, pursuant to Paragraph 37 of the Order and any further authority the Court deems just and proper, to deem any claim of a Subject Affiliate that has failed to submit the Required Information by 11:59 p.m., Eastern time, on December 31, 2016, as disallowed and the distribution to be made on account of any such claim as forfeited.

9. The Receiver further requests that, prior to any final Distribution to be made in this Case, he be permitted to make limited exceptions to the disallowance of a claim and the forfeiture of the distributions on account of such claims for cause, in his sole discretion, but only in the event that such Subject Affiliate provide the Required Information.

IV. CONCLUSION

WHEREFORE, the Receiver hereby requests that the Court enter an order affirming that the Receiver has the authority to deem any claim of a Subject Affiliate who has failed to submit the Required Information by 11:59 p.m., Eastern time, on December 31, 2016 as disallowed, that the distribution on any such disallowed claim be deemed forfeited, that he have the authority to make limited exceptions to the disallowance of such claims and the forfeiture of distributions on account of such claims, and for such further relief as this Court deems just and proper.

This 3rd day of November, 2016.

/s/ Kenneth D. Bell

Kenneth D. Bell, N.C. State Bar No. 10800

McGuireWoods LLP

201 North Tryon Street

P.O. Box 31247

Charlotte, NC 28231

Telephone: 704.373.4620

Facsimile: 704.373.8836

E-mail: kbell@mcguirewoods.com

CERTIFICATE OF SERVICE

I hereby certify that on this date, I have electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send copies to counsel of record registered to receive electronic service. Additionally, all entities that have provided E-mail Addresses and fully submitted Claims on the Claim Portal shall be served a copy of this Motion via electronic mail.

This 3rd day of November, 2016.

/s/ Kenneth D. Bell
Kenneth D. Bell