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MEMO ENDORSED

May 4, 2026

VIA ECF

Hon. Valerie E. Caproni
United States District Judge
Southern District of New York
40 Foley Square
New York, NY 10007

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**Re: CFTC v. Alexandre and EminiFX, Inc., No. 22 Civ. 3822 (VEC)
Application for Payment of Fees and Expenses – First Quarter 2026**

Dear Judge Caproni:

Pursuant to this Court’s Order dated June 10, 2022 concerning applications for professional fees and expenses [Dkt. 47], as amended on February 2, 2023 [Dkt. 187] and on June 30, 2023 [Dkt. 209] (the “**Employment Order**”), David Castleman, the court-appointed receiver (the “**Receiver**”) over Defendant EminiFX, Inc. (“**EminiFX**”) and certain assets of Defendant Eddy Alexandre (“**Alexandre**”), in the above-referenced action (the “**Civil Action**”) pursuant to the Consent Order for Preliminary Injunction [Dkt. 56] (“**Consent Order**”), respectfully submits this application (the “**Application**”) for the payment of professional fees and expenses for the period of January 1, 2026 through March 31, 2026 (the “**Application Period**”). The Receiver requests approval of payment of fees and expenses to the Receiver and the following firms: Otterbourg P.C. (“**Otterbourg**”), J.S. Held LLC (“**JS Held**”), Deloitte Tax LLP (“**Deloitte Tax**”), Crowe LLP (“**Crowe**”) and Stretto, Inc., (“**Stretto**”) (collectively, the “**Professional Firms**”).

The primary focuses of the Application Period was completing the Initial distribution which distributed over \$98 million to over 28,000 users—including nearly \$5 million to over 4,000 users during the Application Period—and investigating and prosecuting third party claims. The Receiver and the Professional firms worked together to produce and review documents in the action against the former CFO. The Receiver and Otterbourg also prepared and fully briefed its appeal against Interactive Brokers LLC. The Receiver and Otterbourg also commenced a new action in connection with a fraudulent transfer.

The Receiver and each of the Professional Firms have agreed to a public-service discount of their fees given the circumstances of the receivership. For the Application Period, (i) the Receiver requests fees of \$20,872.50; (ii) Otterbourg requests fees of \$237,617.92 and expenses of \$1,504.73; (iii) JS Held requests fees of \$47,339.50 and expenses of \$16,212.85; (iv) Deloitte Tax requests fees of \$6,597.00 and expenses of \$330.00; (v) Crowe requests fees of \$1,475.75; and (vi) Stretto requests fees of \$120,170.50 and expenses of \$1,287.24. The combined Receiver and Otterbourg discount totals \$76,815.08, as reflected in the respective invoices.



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The total requested or incurred fees of \$434,073.17 and expenses of \$19,334.82 for the Application Period are reasonable given the significant complexity and substantial work completed, as set forth in detail in Part III. The total request is 13% less the prior quarter, continuing the current downward trend. The Standardized Fund Accounting Report annexed to the Receiver's affidavit shows the cash flows in and out of the Receivership.

The Receiver and his professionals have maintained and presented their time and expense charges as set forth in the Billing Instructions for Receivers in Civil Actions Commenced by the Commodity Futures Trading Commission ("CFTC") (the "CFTC Billing Instructions"), as required by the Employment Order. These detailed time entries have been approved by the CFTC, which consents to this request, and those time entries will be submitted to the Court separately under seal pursuant to the Employment Order. Attached as Exhibits 1-3 and 6 are affidavits setting forth narrative explanations of the services provided.

This Application will be posted on the homepage of the Receiver's website at www.eminifxreceivership.com. Any EminiFX members who have any questions regarding this Application may send an email to the Receiver's team at EminiFX@Stretto.com, as directed by this Court in its order dated August 12, 2022 [Dkt. 106]. Unless a party has made a motion to intervene, and that motion has been granted by the Court, parties should **not** send any inquiries directly to the Court [Dkts. 174, 176].

I. Authority for Requested Relief

A receiver appointed by a court "who reasonably and diligently discharges his duties is entitled to be fairly compensated for services rendered and expenses incurred. The amount of the compensation is to be determined by the court in the exercise of its reasonable discretion." *SEC v. Byers*, 590 F. Supp. 2d 637, 644 (S.D.N.Y. 2008). "This presumption of reasonable compensation extends to a receiver's counsel and professionals." *SEC v. Morgan*, 504 F. Supp. 3d 221, 223 (W.D.N.Y. 2020) (quoting *SEC v. Platinum Mgmt. (NY) LLC*, No. 16-CV-6848, 2018 WL 4623012, at *4 (E.D.N.Y. Sept. 26, 2018)). "The Court considers several factors in determining a reasonable fee, including '(1) the complexity of problems faced, (2) the benefits to the receivership estate, (3) the quality of the work performed, and (4) the time records presented.'" *Id.* (quotations omitted). The Court may also consider "the reasonableness of the hourly rate charged and the reasonableness of the number of hours billed." *SEC v. Amerindo Inv. Advisors Inc.*, No. 05 Civ. 5231, 2015 WL 13678841, at *1 (S.D.N.Y. Sept. 14, 2015) (citations omitted). "In addition, in a securities receivership, opposition or acquiescence by the [regulatory agency] to the fee application will be given great weight." *Byers*, 590 F. Supp. 2d at 644 (cleaned up).



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II. Procedural History

The Receiver's First Quarter 2026 Report, filed on May 1, 2026, sets forth in detail the procedural history during the Application Period [Dkt. 581, at 3-4].

On January 8, 2026, the Second Circuit denied Mr. Alexandre's interlocutory appeal of this Court's granting of summary judgment and order to turn over certain assets and information to the Receiver [Dkts. 515, 516, 520], as set forth in detail in prior reports. The mandate from that appeal was transmitted to this Court on March 4, 2026 [Dkt. 577]. The CFTC's motion for a permanent injunction and civil monetary penalty [Dkt. 529] and the Receiver's motion for procedures to protect privileged materials [Dkt. 536] remain pending.

On January 15, 2026, Alexandre filed a motion for injunctive relief that included highly sensitive personal information of various relatives [Dkt. 562]. The Receiver immediately took steps to ensure this information did not become public. Later that day, a redacted version was filed [Dkt. 563], and the Court denied the application, stating that threats against Alexandre, members of his family, or anyone else are unacceptable, and should be reported to law enforcement, and confirmed that those threats were not related to the Receiver, the CFTC, or this action [Dkt. 564].

On March 13, 2026, the Second Circuit denied the appeal of a group of various EminiFX investors to intervene in this action, as set forth in detail in prior reports. The mandate from that appeal was transmitted to this Court after the close of the First Quarter but before the filing of this report [Dkt. 580].

Throughout the Application Period, Alexandre filed several motions and papers [Dkts. 561, 565, 566, 572, 574, 575, 576]. The CFTC filed two responses [Dkts. 571, 573]. The Receiver has not responded to or otherwise participated in these filings.

On January 30, 2026, the Receiver filed his Fourth Quarter 2025 status report [Dkt. 567]. Also on January 30, the Receiver also filed a fee application for that quarter [Dkt. 568].

III. Summary of Services During the Application Period

Distributions. The Receiver and his team made the final payment of the Initial Distribution at the end of the Fourth Quarter 2025. The Receiver and his team distributed over \$98 million to almost 28,000 eligible users. The primary reason users had not received distributions is that they have not provided the Receiver with valid payment information. For the several thousand users who did not provide payment information, but for whom the Receiver has a last known address on file, the Receiver mailed a check that will be valid for 120 days. This effort was generally successful, with over 4,000 users receiving payments of nearly \$5,000,000. By April 15, almost 100 more users had cashed their checks, and only ten users have payments that are currently



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pending. The remainder have either been paid, or the Receiver has held over their initial payment to the next distribution. Once all checks have been negotiated, returned, or voided, the Receiver will file a final report on the Initial Distribution. The Receiver anticipates filing a final report on the initial distribution in the Second Quarter 2026.

Third Party Claims. The Receiver's legal team at Otterbourg, in consultation with and supervised by the Receiver, continued its investigation into potential claims that the receivership may have against third parties. The Receiver continued an investigation into an issue concerning millions of dollars of EminiFX funds.

During the Application Period, the Receiver continued its litigation against Interactive Brokers LLC ("IBKR"). On December 8, 2025, the Court entered an order granting IBKR's Motion to Dismiss, which the Receiver has appealed. During the Application Period, the Receiver and Otterbourg prepared its appellant and reply briefs. The Receiver and Otterbourg also reviewed IBKR's response brief. The Receiver is waiting for an oral argument date to be set for the June 2026 court term, or thereafter as the state appellate court may decide.

During the Application Period, the Receiver continued prosecution of the action commenced against the former Chief Financial Officer of EminiFX (the "CFO") in the Supreme Court for the County of New York.¹ During the Application Period, the Receiver, Otterbourg and JSHeld reviewed documents in response to a subpoena and prepared multiple document productions. Otterbourg also prepared subpoenas for certain records, and once received, those documents were processed and reviewed. The Receiver and Otterbourg also reviewed documents in preparation for depositions which took place shortly after the Application Period. The discovery phase is substantially complete and the Receiver expects to file a Note of Issue.

On March 11, 2026, the Receiver filed a complaint in the Supreme Court for the County of New York against Levy Alexandre ("Levy"). On April 8, 2022, nearly a quarter million dollars was fraudulently transferred to Levy. On the very same day, Levy made a withdrawal from Bitcoin in nearly the same amount. No consideration was provided in exchange for the transfer. The action seeks to recover that money, which was originally contributed to EminiFX by investors.

Administration of the Estate and Case. The Receiver, assisted by his counsel at Otterbourg, supervised the administration of the estate, including monitoring bank accounts, redirecting and opening mail, monitoring appeals, and other tasks incidental to the management of the estate. The Receiver, with the assistance of Otterbourg, filed a status report advising the Court

¹ The Receiver entered into a settlement agreement to resolve the claims against two other senior executives as well as any claims they may assert against the receivership. The settlement has been submitted to the Court for approval [Dkt. 544], and in the interim those executives are not actively participating in the litigation against the CFO.



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of the activities from the prior quarter [Dkt. 546]. The Receiver also continues to communicate with Alexandre regarding the Receivership as necessary via the CorrLinks system and the U.S. Mail. In general, the Receiver expects to conserve estate resources by filing responses to motions by Alexandre only when necessary or when ordered by the Court.

Taxes. The Receiver continued to monitor the status of the prompt assessment for termination. Deloitte Tax researched and advised the Receiver on when funds can be released based on the timing of the prompt request for termination (form 4810), and Crowe began to prepare the 2025 taxes for the qualified settlement fund.

IV. Summary of Fees and Expenses Requested

The Receiver includes herewith affidavits from himself and the lead from each of the Professional Firms. Pursuant to the Employment Order, detailed time entries are filed separately under seal. The aggregate fees being requested have been discounted for the public service each firm has been performing. The Receiver and the Professional Firms have reasonably and diligently exercised their duties during the Application Period, and the Receiver respectfully submits that they are entitled to be fairly compensated for services rendered.

The Receiver. As set forth above, the Receiver spent substantial time administering all aspects of the receivership. The Receiver respectfully requests the Court approve payment of \$20,872.50 in fees to the Receiver, which reflects a discount of over 60% from his normal rate. The Castleman Affidavit attached as Exhibit 1 includes additional detail on his billing, as well as his supervision of the various Professional Firms.

Otterbourg. As set forth above, Otterbourg spent substantial time assisting the Receiver in administering and providing legal advice concerning all aspects of the receivership, including investigating and litigating potential third-party claims. The Receiver respectfully requests the Court approve payment of \$237,617.92 in fees to Otterbourg (reflecting the 15% public service discount and additional discounts as requested by the Receiver), and expenses in the amount of \$1,504.73 for court and subpoena fees, all other expenses were waived. The Feeney Affidavit attached as Exhibit 2 describes in more detail the work performed.

JS Held. JS Held continued to provide substantial forensic services to the estate, assisting with document productions in connection with the third party claims and assisting in the claims and distribution process. The Receiver respectfully requests the Court approve payment of \$47,339.50 in fees and \$16,212.85 in expenses to JS Held. The Feinstein Affidavit attached as Exhibit 3 describes in more detail the work performed.

Deloitte Tax. Deloitte Tax has provided the estate with tax analysis and strategic advice, in connection with the release of funds and the timing of the prompt assessment for termination.



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The Receiver respectfully requests the Court approve payment of \$6,597.00 in fees and \$330.00 in expenses to Deloitte Tax. The Young Affidavit attached as Exhibit 4 describes the work performed.

Crowe. Crowe provided the estate with tax analysis and began to prepare the 2025 qualified settlement fund tax return. The Receiver respectfully requests the Court approve payment of \$1,475.75 in fees to Crowe. The Loveall Affidavit attached as Exhibit 5 describes the work performed.

Stretto. Stretto continued to play a key role in implementing the initial distribution, preparing checks and wires for distribution, tracking and recording the status of the checks and managing all investor communications. The Receiver respectfully requests the Court approve payment of \$120,170.50 in fees and \$1,287.24 in expenses to Stretto. The McElhinney Affidavit attached as Exhibit 6 describes in more detail the work performed.

V. Conclusion

The Receiver respectfully requests that the Court approve the fee and expense requests as set forth in this Application.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'David Castleman'.

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Receiver

Attachments

cc: Counsel of Record (*via ECF*)
Eddy Alexandre (*via U.S. Mail*)

Application GRANTED.

SO ORDERED.

A handwritten signature in blue ink, appearing to read 'Valerie Caproni'.

6/10/2026

HON. VALERIE CAPRONI
UNITED STATES DISTRICT JUDGE