

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

INTERNATIONAL FOREIGN EXCHANGE
CONCEPTS HOLDINGS, INC., et al.

Debtors.

Chapter 11

Case No. 13-13379 (REG)

Jointly Administered

Monthly Operating Report

April 2014

Prior activities

1. On October 17th, 2013 International Foreign Exchange Concepts Holdings, Inc and International Foreign Exchange Concepts, LP, filed for Chapter 11 bankruptcy protection in the U.S. Bankruptcy Court of the Southern District of New York (this “**Court**”). On October 23, 2013, FX Concepts LLC (together with the other two debtors, the “**Debtors**” or the “**Company**”) filed for Chapter 11 bankruptcy protection in this Court. Prior to October 17th, the Debtors were a global investment management and research firm specializing in foreign exchange and interest rate risk management with extensive experience trading currencies and derivatives in both the developed and emerging markets. Established in 1981 and headquartered in New York, the Debtors once managed over \$14 billion in assets for institutional clients worldwide with representatives in London, Singapore, Sydney and Tokyo.

2. The Debtors received (and have subsequently repaid) a DIP loan in the amount of approximately \$1.5 million.

3. The Company moved quickly to arrange for an auction of its primary assets and to close out operations. This included executing an extensive marketing process for its primary assets and setting up sale procedures with Court approval.

4. A thorough marketing process was conducted including contacting a large pool of funds and individuals who were identified as potential buyers. This activity resulted in an expedited sale process in which a stalking horse was identified within two weeks for the purchase of the primary assets of the Company at a value of \$1.45 million.

5. An auction was held on November 25, 2013, at which auction, after numerous rounds of bids, Ruby Commodities, Inc. was declared the winning bidder with an aggregate bid in the amount of \$7.48 million for the majority of the Company's assets (excluding the newsletters).

6. On November 26th 2013, this Court approved the sale of these assets to Ruby Commodities pursuant to the auction held on November 25th, 2013.

7. The sale of the assets closed in December and the Company subsequently moved out of its headquarters. Activities were then undertaken to address financial, operational and legal requirements to close out the estate and to pursue claims as well as develop a Plan of Liquidation

April

8. In April, the Company focused on tax requirements, settlement discussions with the former CEO, structuring of a Plan of Liquidation, accounting and reporting required for the close out of affiliated funds and entities, and claims review.

9. A primary focus in April was the development of estimated taxes for the Debtors which involved extensive financial analysis and review.

10. Another critical task was the development of a potential plan of liquidation including review of claims, estimated proceeds, trust structure and estimated costs.

11. A continued focus in April was the negotiation of a settlement regarding amounts due from the former CEO. This included review of term sheets, in person meetings and discussions with creditors.

12. The Company continued to work to identify actions required to close out various affiliated entities both domestic and foreign. This included addressing regulatory issues associated with the funds previously managed by affiliated entities requiring calls, emails and preparation of financial information.

13. In addition to operational requirements, the Company communicated with creditors, prepared its monthly operating report and processed required payments.

Plan for May

14. In May, the Debtors are focused on the development of a liquidating plan to conclude the bankruptcy cases. They are also doing more detailed review of claims with the intent to determine required objections. In addition to developing a proposed structure and identifying key issues to be resolved to allow the Company to exit Chapter 11, the plan is expected to address the close out of affiliated entities both domestic and foreign, as necessary.

15. Evaluation, analysis and discussions continue to identify and plan the execution of the close out of existing entities from a financial, legal and regulatory perspective.

16. A primary focus of the Debtors in May will continue to be discussions regarding outstanding obligations due to the Company from its former CEO. This includes the discussion of term sheets, evaluation of claims, and in person meetings between key constituents and their representatives.

17. The Company will need to continue to review and initiate action required by regulatory agencies related to affiliated entities including providing financial information and documentation. The Debtors will also continue to address and analyze tax issues and submit required forms.

Cash Receipts and Disbursements

All Debtors- April 2014

	IFEC Holdings	IFEC LP <i>Operating Account</i>	IFEC LP <i>Petty Cash</i>	IFEC LP <i>Money Market -LC</i>	FX Concepts LLC <i>Operating Account</i>
Opening Balances as of 4/01/2014	\$6,984,265.46	\$800,721.35	\$9,369.43	\$2,365.94	\$40,297.33
Cash Flows:					
Receipts	\$0.00	\$5,226.21	\$0.00		
Others					
Intercompany					
Total Inflows	\$0.00	\$5,226.21	\$0.00	\$0.00	\$0.00
Cash Outflows:					
Disbursements		\$36,781.10			
Payroll, Payroll Taxes and Benefits		\$16,535.68			
Operating Cost					
Professional Fees		\$66,665.66			
Intercompany					
AMF DIP					
Others/Adjustments					
US Trustee		\$10,404.99			
Total Cash Outflow	\$0.00	\$130,387.43	\$0.00	\$0.00	\$0.00
Net Cash Flows:	\$0.00	(\$125,161.22)	\$0.00	\$0.00	\$0.00
Cash Balance as of 4/30/2014	\$6,984,265.46	\$675,560.13	\$9,369.43	\$2,365.94	\$40,297.33

18. The Company received \$5,226 related to the close out of its funds.

19. Primary disbursements in March were for accrued professional fees to both CDG Group and Logan & Company. Total professional fees paid were \$66,665. Other than professional fees, other primary expenses were for corporate insurance, payroll and US Trustee fees. Insurance coverage totaled \$33,557. Payroll totaled \$16,535 and accrued US Trustee fees totaled \$10,404.

20. In addition, the Company paid \$1,337 for post-petition IT services to CQG, \$1,457 for bank fees and \$428 for storage fees for documents and other materials formerly housed at its headquarters.

Cash Receipts and Disbursements

All Debtors since Filing

	<u>IFEC LP Holdings</u>	<u>IFEC LP Operating Account</u>	<u>IFEC LP Petty Cash</u>	<u>IFEC LP Money Market - LC</u>	<u>FX Concepts LLC Operating Account</u>
Opening Balances as of 10/18/2013	\$6,434.19	\$23,832.11	\$5,641.18	\$705,875.41	\$2,339.82
Cash Flows:					
Receipts	\$7,841,914.60	\$1,591,351.76	\$4,850.91	\$217.80	\$41,588.31
Others					
Intercompany		\$504,083.33			
AMF DIP		\$500,000.00			
Total Inflows	\$7,841,914.60	\$2,595,435.09	\$4,850.91	\$217.80	\$41,588.31
Cash Outflows:					
Disbursements	\$360,000.00	\$433,712.05	\$523.65	\$703,678.19	\$3,630.80
Payroll, Payroll Taxes and Benefits		\$332,130.22			
Operating Cost					
Professional Fees		\$656,551.28			
Intercompany	\$504,083.33				
AMF DIP		\$504,083.33			
Others			\$599.01	\$49.08	
US Trustee		\$17,229.99			
Total Cash Outflow	\$864,083.33	\$1,943,706.87	\$1,122.66	\$703,727.27	\$3,630.80
Net Cash Flows:	\$6,977,831.27	\$651,728.02	\$3,728.25	(\$703,509.47)	\$37,957.51
Cash Balance at 04/30/14	\$6,984,265.46	\$675,560.13	\$9,369.43	\$2,365.94	\$40,297.33

Cash Receipts and Disbursements - IFEC Holdings

**IFEC Holdings Receipts
& (Disbursements) as of 4/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
4/1/2014	\$ 6,984,265.46		Beginning Balance
4/30/2014	\$ 6,984,265.46		Ending Balance

21. There was no activity in the IFEC Holding account in April. Funds in this account reflect prior asset sale proceeds.

Cash Receipts and Disbursements - IFEC LP Operating Account

**IFEC LP (Operating) Receipts
& (Disbursements) as of 4/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
4/1/2014	\$ 800,721.35		Beginning Balance
4/4/2014		(40,000.00)	CDG Group
4/4/2014		(3,729.17)	Payroll Check WK 4/04/14-Joanny Santana
4/7/2014		(234.38)	Timberly Davis Payroll
4/8/2014		(1,337.93)	CQG (IT services)
4/10/2014		(16,293.73)	Goto Premium (Insurance)
4/11/2014		(3,729.17)	Payroll Check WK 4/11/14-Joanny Santana
4/11/2014		(8,663.69)	Goto Premium (Insurance)
4/11/2014		(10.00)	Goto Premium-Processing Fee
4/11/2014		(10.00)	Goto Premium-Processing Fee
4/14/2014		(468.75)	Timberly Davis Payroll
4/18/2014		(3,729.17)	Payroll Check WK 4/18/14-Joanny Santana
4/22/2014		(26,665.66)	Logan & Company
4/22/2014		(428.00)	Certified Movers Storage
4/22/2014		(1,457.55)	Bank Fees
4/23/2014		(447.12)	Len Weedman IT Consulting
4/23/2014		(3,729.17)	Payroll Check WK 4/25/14-Joanny Santana
4/23/2014		(468.75)	Timberly Davis Payroll
4/30/2014	5,226.21		MD SASS Multistrategy
4/30/2014		(10,404.99)	US Trustee
4/30/2014		(8,578.25)	CHUBB Insurance
4/30/2014		(1.95)	CHUBB Insurance-Processing Fee
4/30/2014	\$ 675,560.13		Ending Balance

22. Primary activity for operating expenses is in the IFEC LP Operating Account consistent with past practices of the Company.

23. The Company received \$5,226 related to the close out of its funds.

24. Primary disbursements in March were for accrued professional fees to both CDG Group and Logan & Company. Total professional fees paid were \$66,665. Other than professional fees, other primary expenses were for corporate insurance, payroll and US Trustee fees. Insurance coverage totaled \$33,557. Payroll totaled \$16,535 and accrued US Trustee fees totaled \$10,404.

25. In addition, the Company paid \$1,337 for post-petition IT services to CQG, \$1,457 for bank fees and \$428 for storage fees for documents and other materials formerly housed at its headquarters.

Cash Receipts and Disbursements - IFEC LP Petty Cash

**IFEC LP (Petty Cash)
& (Disbursements) as of 4/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
4/1/2014	\$ 9,369.43		Beginning Balance
4/30/2014	\$ 9,369.43		Ending Balance

26. There was no activity in the IFEC LP Petty Cash account in April.

Cash Receipts and Disbursements - IFEC LP Money Market Account

**IFEC LP (Money Market) Receipts
& (Disbursements) as of 4/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
4/1/2014	\$ 2,365.94		Beginning Balance
4/30/2014	\$ 2,365.94		Ending Balance

27. The IFEC LP Money Market account held cash collateral supporting a Letter of Credit in favor of the landlord of the Company's headquarters at 3 Park Avenue, New York, NY. Based on the entry of a stipulation agreement between the Company and JPM settling disputes in December, funds supporting the Letter of Credit were released to the Company's landlord in December as well as associated fees and charges. No changes in balances occurred since then.

Cash Receipts and Disbursements – FX Concepts LLC

**Fx Concepts LLC (Operating) Receipts
& (Disbursements) as of 4/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
4/1/2014	\$40,297.33		Beginning Balance
4/30/2014	\$40,297.33		Ending Balance

28. There was no activity in the FX Concepts LLC account in April.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



Michael Meenan

5/19/14

Date