

**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**

**November 2014**

**Prior activities**

1. On October 17, 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 17<sup>th</sup>, 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 (the “**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 at a price of \$1.45 million.

5. An auction was held on November 25, 2013 (the “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 Debtors’ Primary Assets (excluding the Debtors’ newsletter business).

6. On November 26, 2013, this Court approved the sale of the Primary Assets to Ruby Commodities pursuant to the Auction.

7. The sale of the Primary 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 to develop a Plan of Liquidation

### **November**

8. In November, the Company focused on:
- finalizing and submitting a Chapter 11 plan and disclosure statement;
  - settlement discussions with tax authorities on filed claims;
  - claims review, including settlement of and objections to various claims;
  - accounting and reporting required for the close out of affiliated funds and entities;
  - closeout of 401k; and
  - discussions with the Inspiration Biopharmaceuticals (“Inspiration”) estate and stakeholders regarding required documentation.

9. Based on the withdrawal of the \$17 million IRS tax claim, the Company was able to move forward with finalizing and submitting its Plan of Liquidation and associated Disclosure Statement. These documents were filed with the Court in early November and hearings were scheduled to allow the case to move towards closure.

10. In November, the Company also worked with state and city tax authorities to attempt to resolve their filed claims against the Debtors. The Company responded to various information requests and had numerous conference calls with representatives of these taxing authorities to address their review of tax filings over the past 10 years.

11. 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.

12. The Company also reviewed, analyzed and commented on certain documents and requests related to its interests in Inspiration including negotiations with the estate and stakeholders

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

#### **Plan for December**

14. In November, the Company filed its Chapter 11 Liquidating Plan and associated Disclosure Statement in order to emerge from Chapter 11 and wind up the estate. In connection with this filing, the Company will be required to take additional actions in December, including a Court hearing on the Disclosure Statement, the distribution of notices and ballots to creditors,

addressing questions raised regarding the Plan and Disclosure Statement and scheduling Court hearings and deadlines related to approval of the Plan.

15. The Debtors will continue to work with certain taxing authorities including New York State and New York City to attempt to resolve their claims against the Debtors. This includes research, analysis and discussions with tax authorities in person and telephonically.

16. The Company will also continue the research, documentation, evaluation and analysis required to identify and plan the execution of the closeout of existing entities from a financial, legal and regulatory perspective.

17. The Company will continue in discussions with the Inspiration estate and stakeholders to finalize required documentation.

18. The Company will also address requirements and process request associated with the closeout of its 401k plan.

19. The Company will begin to prepare necessary financial information and processes required for the execution of its tax filing for 2014.

**Cash Receipts and Disbursements****All Debtors- November 2014**

	<u>IFEC Holdings</u>	<u>IFEC LP</u> <u>Operating Account</u>	<u>IFEC LP</u> <u>Petty Cash</u>	<u>IFEC LP</u> <u>Money Market -LC</u>	<u>FX Concepts LLC</u> <u>Operating Account</u>
<b>Opening Balances as of 11/01/2014</b>	\$553,600.46	\$5,824,899.27	\$9,441.02	\$2,365.94	\$2,369,577.33
<b>Cash Flows:</b>					
Receipts	\$0.00	\$0.00			\$ -
Others					
Intercompany					
<b>Total Inflows</b>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<b>Cash Outflows:</b>					
Disbursements		\$3,728.05			
Payroll, Payroll Taxes and Benefits		\$18,188.48			
Operating Cost					
Professional Fees		\$338,027.88			
Intercompany					
AMF DIP					
Others/Adjustments					
US Trustee					
<b>Total Cash Outflow</b>	<u>\$0.00</u>	<u>\$359,944.41</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<b>Net Cash Flows:</b>	<u>\$0.00</u>	<u>(\$359,944.41)</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
<b>Cash Balance at 11/30/14</b>	<u><u>\$553,600.46</u></u>	<u><u>\$5,464,954.86</u></u>	<u><u>\$9,441.02</u></u>	<u><u>\$2,365.94</u></u>	<u><u>\$2,369,577.33</u></u>

20. Primary disbursements in November were for accrued professional fees. Professional fees included monthly fees that came due in November, and any additional disbursements approved by the Court in the Third Interim Fee Application Order totaling \$338,027. These disbursements also included professional fees accrued by Logan & Company, as well as the release of a 10% holdback in connection with previously accrued professional fees pursuant to the Court's Third Interim Fee Application Order. Other expenses included payroll totaling \$18,188, storage and facilities of \$2,045 and bank charges of \$1,682.

**Cash Receipts and Disbursements****All Debtors since Filing**

	<b><u>IFEC LP Holdings</u></b>	<b><u>IFEC LP</u></b>	<b><u>IFEC LP</u></b>	<b><u>IFEC LP</u></b>	<b><u>FX Concepts LLC</u></b>
		<i>Operating Account</i>	<i>Petty Cash</i>	<i>Money Market - LC</i>	<i>Operating Account</i>
<b>Opening Balances as of 10/18/2013</b>	\$6,434.19	\$23,832.11	\$5,641.18	\$705,875.41	\$2,339.82
<b>Cash Flows:</b>					
Receipts	\$7,841,914.60	\$10,155,056.97	\$4,922.50	\$217.80	\$ 2,370,868.31
Others					
Intercompany		\$504,083.33			
AMF DIP		\$500,000.00			
<b>Total Inflows</b>	<b>\$7,841,914.60</b>	<b>\$11,159,140.30</b>	<b>\$4,922.50</b>	<b>\$217.80</b>	<b>\$2,370,868.31</b>
<b>Cash Outflows:</b>					
Disbursements	\$6,790,665.00	\$2,792,691.58	\$523.65	\$703,678.19	\$3,630.80
Payroll, Payroll Taxes and Benefits		\$469,786.84			
Operating Cost					
Professional Fees		\$1,934,225.61			
Intercompany	\$504,083.33				
AMF DIP		\$504,083.33			
Others			\$599.01	\$49.08	
US Trustee		\$17,229.99			
<b>Total Cash Outflow</b>	<b>\$7,294,748.33</b>	<b>\$5,718,017.35</b>	<b>\$1,122.66</b>	<b>\$703,727.27</b>	<b>\$3,630.80</b>
<b>Net Cash Flows:</b>	<b>\$547,166.27</b>	<b>\$5,441,122.75</b>	<b>\$3,799.84</b>	<b>(\$703,509.47)</b>	<b>\$2,367,237.51</b>
<b>Cash Balance at 11/30/14</b>	<b>\$553,600.46</b>	<b>\$5,464,954.86</b>	<b>\$9,441.02</b>	<b>\$2,365.94</b>	<b>\$2,369,577.33</b>

**Cash Receipts and Disbursements - IFEC Holdings****IFEC Holdings Receipts****& (Disbursements) as of 11/30/2014**

<b><u>Date</u></b>	<b><u>Receipts</u></b>	<b><u>(Disbursements)</u></b>	<b><u>Description</u></b>
11/1/2014	\$ 553,600.46		Beginning Balance
11/30/2014		0.00	
11/30/2014	\$ 553,600.46		Ending Balance

21. There was no activity in the IFEC Holdings account in November.

**Cash Receipts and Disbursements - IFEC LP Operating Account**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
<b>11/1/2014</b>	<b>5,824,899.27</b>		<b>Beginning Balance</b>
11/4/2014		(2,983.34)	Payroll J. Santana WK(11/3-11/07)
11/4/2014		(2,045.40)	Regus storage for November
11/10/2014		(2,983.34)	Payroll J. Santana WK (11/10-11/14)
11/10/2014		(1,657.56)	Logan & Company
11/10/2014		(1,523.86)	J. Santana Insurance December
11/10/2014		(223.56)	IT consulting L. Weedman
11/17/2014		(2,983.34)	Payroll J. Santana Wk (11/17-11/21)
11/21/2014		(140,227.24)	CDG Group
11/21/2014		(32,500.00)	CDG Group
11/24/2014		(2,983.34)	Payroll J. Santana wk (11/24-11/28)
11/25/2014		(84,626.77)	Finn Dixon
11/25/2014		(33,621.90)	Withers and Bergman
11/25/2014		(23,255.01)	DiConza Traurig
11/25/2014		(8,542.15)	Withers Bergman
11/25/2014		(8,069.80)	DiConza Traurig
11/25/2014		(5,527.45)	Withers and Bergman
11/25/2014		(1682.65)	Bank Fees
11/28/2014		(2,983.34)	Payroll J. Santana 12/1-12/6
11/28/2014		(1,524.36)	J. Santana Insurance January
<b>11/30/2015</b>	<b>5,464,954.86</b>		<b>Ending Balance</b>

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

23. Primary disbursements in November were for accrued professional fees. Professional fees included monthly fees that came due in November, and any additional disbursements approved by the Court in the Third Interim Fee Application Order totaling \$338,027. These disbursements also included professional fees accrued by Logan & Company, as well as the release of a 10% holdback in connection with previously accrued professional fees pursuant to the Court's Third Interim Fee Application Order.

24. Other expenses included payroll totaling \$18,188, storage and facilities of \$2,045 and bank charges of \$1,682.

**Cash Receipts and Disbursements - IFEC LP Petty Cash**

**IFEC LP (Petty Cash)  
& (Disbursements) as of 11/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
11/1/2014	\$ 9,441.02		Beginning Balance
11/30/2014	\$ 9,441.02		Ending Balance

25. There was no activity in the IFEC LP Petty Cash account in November.

**Cash Receipts and Disbursements - IFEC LP Money Market Account**

**IFEC LP (Money Market) Receipts  
& (Disbursements) as of 11/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
11/1/2014	\$ 2,365.94		Beginning Balance
11/30/2014	\$ 2,365.94		Ending Balance

26. There was no activity in the IFEC LP Money Market account in November.

**Cash Receipts and Disbursements – FX Concepts LLC**

**Fx Concepts LLC (Operating ) Receipts  
& (Disbursements) as of 11/30/2014**

<u>Date</u>	<u>Receipts</u>	<u>(Disbursements)</u>	<u>Description</u>
11/1/2014	\$ 2,369,577.33		Beginning Balance
11/30/2014	\$ 2,369,577.33		Ending Balance

27. There was no activity in the FX Concepts LLC account in November.



International Foreign Exchange Concepts Holdings, et al

US Bankruptcy Court Southern District of New York (Case No 13-13379 )

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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.

/s/ Michael Meenan

12/19/14

Michael Meenan

Date