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**FOR INFORMATIONAL PURPOSES ONLY. NO  
RELIEF IS BEING REQUESTED FROM THE COURT  
AND NO ACTION IS REQUIRED.**

*Counsel to Paul R. Hage, in his capacity  
as Plan Administrator for the Wind-Down  
Debtor*

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

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In re: ) Chapter 11  
VOYAGER DIGITAL HOLDINGS, INC., *et al.*, ) Case No. 22-10943 (MEW)  
Debtors.<sup>1</sup> ) (Jointly Administered)  
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**PLAN ADMINISTRATOR'S SEVENTH STATUS REPORT TO CREDITORS**

I, Paul R. Hage, in my capacity as the Plan Administrator (the "Plan Administrator") of Voyager Digital Holdings, Inc., *et al.* (collectively, the "Wind-Down Debtor" or "Voyager") under

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<sup>1</sup> The Wind-Down Debtor in these chapter 11 cases consists of Voyager Digital Holdings, Inc. (7687), Voyager Digital, Ltd. (7224), and Voyager Digital, LLC (8013). The Wind-Down Debtor's service address and principal place of business is 27777 Franklin, Suite 2500, Southfield, MI 48034.

the *Third Amended Joint Plan of Voyager Digital Holdings, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Doc. No. 1166-1] (the “Plan”),<sup>2</sup> hereby submit this *Plan Administrator’s Seventh Status Report to Creditors*.

### **THE INITIAL DISTRIBUTION**

1. The initial distribution to creditors of Voyager Digital, LLC under the Plan (the “Initial Distribution”) is now complete. As discussed in prior status reports,<sup>3</sup> the Initial Distribution consisted of two phases: (i) an in-kind distribution commencing in June 2023 whereby creditors were provided thirty days to withdraw crypto assets from their accounts, and (ii) a check distribution beginning in September and October 2023 for those creditors who did not receive their Initial Distribution, in full or in part, through the in-kind distribution.

2. Of the approximately \$627 million available for creditors in the Initial Distribution, over \$490 million was withdrawn in connection with the in-kind distribution. Thereafter, the Wind-Down Debtor issued approximately 630,000 checks (worth approximately \$130 million) to creditors of Voyager Digital, LLC who did not partake or fully participate in the in-kind distribution.

3. Despite significant outreach efforts by the Wind-Down Debtor, some creditors failed to deposit their checks. The cumulative value of such checks totaled approximately \$16 million. As set forth in the *Notice Regarding Procedures Related to Undeliverable or Unclaimed Distributions* [Doc. No. 1642] (the “Distribution Eligibility Notice”), any Initial Distribution check that remained outstanding on April 20, 2024 is now cancelled and deemed unclaimed. Any

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<sup>2</sup> All capitalized terms used, but not otherwise defined herein have the meanings ascribed to them in the Plan.

<sup>3</sup> The prior status reports were filed at Doc. Nos. 1459, 1480, 1549, 1593, 1627, and 1660, and are available to review free of charge at <https://www.investvoyager.com/updates>.

creditor who failed to withdraw or deposit their Initial Distribution has forfeited their right to receive subsequent distributions from the Wind-Down Debtor. Pursuant to the Distribution Eligibility Notice and the Plan, the proceeds from any unclaimed Initial Distributions have been returned to the general recovery fund and are now available for distribution amongst all remaining eligible creditors on a pro rata basis.

4. In total, the Initial Distribution resulted in approximately \$604 million being distributed to creditors of Voyager Digital, LLC. This represents approximately 35.72 percent of each Voyager Digital, LLC creditor's allowed claim.

### **THE SECOND DISTRIBUTION**

5. I am pleased to report that, starting on July 31, 2024, the Wind-Down Debtor will begin issuing a second distribution to creditors of Voyager Digital, LLC (the "Second Distribution").<sup>4</sup> The Second Distribution will total approximately \$589 million. With the reduction in the overall claims pool due to: (i) the unclaimed distributions, and (ii) the waiver of claims as part of litigation settlements, this \$589 million will permit eligible creditors to receive an additional 34.28% on account of their outstanding claims.

6. **The Second Distribution will be made by check only.** As has been noted in prior status reports, the Wind-Down Debtor has liquidated and converted to cash substantially all of the cryptocurrency that it previously held. **As such, no in-kind distribution will be offered for the Second Distribution. Creditors should be highly suspicious of any communications asking for account or wallet information or otherwise suggesting that the Second Distribution will**

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<sup>4</sup> Please be advised that, due to the number of checks included in the Second Distribution, distribution checks will be mailed out by the Wind-Down Debtor in batches over a period of multiple weeks.

**be paid in any manner other than by check. As a reminder, all communications from the Wind-Down Debtor will be sent by e-mail from the [investvoyager.com](http://investvoyager.com) domain only.**

7. Second Distribution checks will be delivered by U.S. mail (or in the case of certain very large checks, by Federal Express) to the mailing address associated with each creditor's allowed claim. Creditors wishing to confirm the mailing address to which their Second Distribution will be sent should log in to their personalized account page on the creditor portal located at: [www.investvoyager.com](http://www.investvoyager.com).<sup>5</sup>

8. **When combined with the Initial Distribution, a creditor who successfully deposits their Second Distribution check will have received distributions representing a total of 70 percent of their allowed claim against Voyager Digital, LLC.**

#### **PREFERENCE ACTIONS**

9. Pursuant to section 547 of the Bankruptcy Code, the Wind-Down Debtor is permitted to avoid and recover certain payments made to creditors in the 90 days immediately prior to the bankruptcy filing on the grounds that such transfers constitute avoidable preferences.

10. Over a period of several months, the Wind-Down Debtor conducted a thorough review of potentially avoidable and recoverable transfers made by Voyager prior to the bankruptcy filing. At the conclusion of that investigation, the Wind-Down Debtor sent demand letters to approximately 230 individuals and entities requesting that such parties return a portion of the

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<sup>5</sup> The ability for creditors to update their mailing address on the creditor portal was added as a feature in the last quarter. Please note, however, that due to preparations for the Second Distribution, mailing address updates are no longer being accepted. Creditors eligible for the Second Distribution were sent an email requesting review and update of their mailing address on or about June 24, 2024 and approximately 17,000 creditors updated their mailing addresses as a result of that outreach. The ability to update your mailing address, and to request a reissued check for Second Distributions sent to out of date addresses, will be reinstated at a future date.

avoidable preference transfers. *See Notice Regarding Preference Claims Exceeding \$350,000* [Doc. No. 1684].

11. Since sending out the demand letters, the Wind-Down Debtor has engaged in good faith settlement discussions with the recipients of such letters. As of the date of this Status Report, the Wind-Down Debtor has settled 61 preference actions. Such settlements have resulted in the Wind-Down Debtor securing value of over \$11 million in the form of cash payments and/or claim waivers.

12. Where a settlement was not achieved, the Wind-Down Debtor either: (i) entered into tolling agreements with the demand letter recipients, or (ii) commenced a lawsuit by filing a complaint with the Bankruptcy Court. In total, the Wind-Down Debtor filed over 75 individual lawsuits seeking to avoid and recover preferential transfers made to various parties. The Wind-Down Debtor continues to negotiate in good faith with all parties who are subject to unresolved preference demands.

13. Pursuant to the Plan and section 502(d) of the Bankruptcy Code, all parties who have unresolved preference demands will not receive the Second Distribution. Rather, the amount of such distribution will be held in reserve pending resolution of that party's preference liability.

#### **THREE ARROWS CAPITAL**

14. As previously noted, the Wind-Down Debtor is one of the largest creditors in the Three Arrows Capital, Ltd. ("Three Arrows Capital") insolvency proceeding that is currently pending before the Eastern Caribbean Supreme Court in the High Court of Justice in the British Virgin Islands (the "BVI Court"). That liquidation process is being led by the court-appointed Joint Liquidators of Three Arrows Capital, Russell Crumpler and Christopher Farmer (the "Joint

Liquidators”).<sup>6</sup> The Wind-Down Debtor has an allowed claim in the Three Arrows Capital proceeding of approximately \$677.47 million.

15. Because of the size of the Wind-Down Debtor’s claim, it is a member of the Three Arrows Capital creditors’ committee appointed in the BVI Court insolvency proceeding. In that capacity, we have collaborated closely with the Joint Liquidators and other significant creditors to try to maximize the return to creditors.

16. As a member of that creditors’ committee, the Wind-Down Debtor has access to privileged and confidential information about the liquidation process that it is not permitted to disclose. It has been publicly reported, however, that the Three Arrows Capital estate has several assets including, but not limited to, cash, tokens (both liquid and illiquid), investments and litigation claims against third parties including, notably, litigation claims against the founders of Three Arrows Capital. Substantial work is being undertaken to realize and liquidate those assets.

17. On February 12, 2024, the Joint Liquidators issued a public notice indicating that they intended to make an initial distribution to creditors of the Three Arrows Capital estate at the end of March 2024. On March 28, 2024, the Joint Liquidators received approval from the BVI Court to proceed with an initial distribution of that estate’s assets. The Wind-Down Debtor received its pro rata share of the initial Three Arrows Capital distribution, approximately \$20.43 million, on April 9, 2024.

18. On May 22, 2024, the Joint Liquidators provided notice of their intent to make a second distribution to creditors of the Three Arrows Capital estate in early July 2024. On June 26, 2024, the Joint Liquidators received approval from the BVI Court to proceed with the second

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<sup>6</sup> Public information regarding the Three Arrows Capital insolvency proceeding can be found at the website maintained by the Joint Liquidators: <https://3aliquidation.com>.

distribution of that estate's assets. The Wind-Down Debtor received its pro rata share of the second distribution from the Three Arrows Capital estate, approximately \$19 million, on July 16, 2024.

19. I expect that additional distributions will be paid out by the Joint Liquidators over the course of the next couple of years as assets are liquidated, tokens unlock, and litigation recoveries are achieved. The amount and timing of such distributions remains uncertain.

### **OTHER LITIGATION CLAIMS**

20. The Wind-Down Debtor is involved in various stages of investigation and litigation with respect to numerous other potential sources of recovery.

21. As detailed in the *Plan Administrator's Sixth Status Report to Creditors* [Doc. No. 1660], the Wind-Down Debtor engaged in mediation efforts related to the Wind-Down Debtor's claims against Voyager's former directors and officers and their insurance provider. In connection with that mediation, the Wind-Down Debtor entered into a settlement agreement, which settlement remains subject to court approval, that will result in \$14.35 million being paid to the Wind-Down Debtor for the benefit of Voyager creditors.

22. The Wind-Down Debtor continues to investigate and pursue numerous other litigation claims. At this time, it would be premature to speculate on what claims will eventually be pursued and what impact such claims might have on creditor recoveries. When appropriate, additional details regarding such claims will be disclosed in status reports filed with the court and served on creditors.

### **CONCLUSION**

23. The purpose of this status report is to provide a high-level update to creditors regarding the status of these bankruptcy proceedings. The foregoing is not intended to be a comprehensive list of all of the matters that the Wind-Down Debtor and its professionals have

been working on. Because of the nature of these proceedings, certain matters necessarily must remain confidential. The Wind-Down Debtor and its professionals will continue to work to return as much money to creditors as possible, as soon as possible.

24. We understand and appreciate the desire that all creditors have for more information regarding the status of these bankruptcy proceedings. We will prepare and file additional status reports to creditors as and when more relevant, public information becomes available.

Respectfully submitted,

By: /s/ Paul R. Hage  
Paul R. Hage, solely in my capacity as  
the Plan Administrator for the Voyager  
Wind-Down Debtor

Dated: July 30, 2024