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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
Eastern Division

In Re:) BK No.: 12-27488
PEREGRINE FINANCIAL GROUP, INC.,)
)
) Chapter: 7
) Honorable Carol A. Doyle
)
)
)
Debtor(s))

**ORDER AUTHORIZING ADDITIONAL INTERIM DISTRIBUTIONS ON ALLOWED 4D
CUSTOMER CLAIMS
AND GRANTING RELATED RELIEF**

Upon consideration of the motion (“Motion”) of Ira Bodenstein, not personally, but as chapter 7 trustee (“Trustee”) for the estate of Peregrine Financial Group, Inc. d/b/a PFG Best (“Debtor”), pursuant to 11 U.S.C. §§ 105(a) and 766 and 17 C.F.R. §§ 190.01 et seq., seeking the entry of an order authorizing and approving up to a 72.16% interim distribution to holders of Allowed 4d Claims (all capitalized terms not defined herein shall have the meanings ascribed thereto in the Motion);

IT IS ORDERED:

1. The Motion is granted. The Trustee is authorized to make cash distributions in an amount up to a 72.16% distribution to the holders of Allowed 4d Claims (“Distribution(s)”). With respect to holders of Allowed 4d Claims that received all Prior Distributions, the incremental distributions will be 9.16%. For the purposes of this Order, Allowed 4d Claims shall include only those proofs of claim filed by 4d Customers that have been reconciled and deemed allowed by the Trustee; it being understood that Allowed 4d Claims shall not include proprietary accounts, as defined in the CFTC Regulation 1.3(y), pursuant to the Debtor's books and records.

2. Pursuant to Rule 190.08, the Trustee is authorized to use up to \$7.2 million of 4d Seg Funds, \$1.6 million of 30.7 Seg Funds and \$27.2 million of Non-Seg Funds from the account containing the liquidation proceeds of Forex accounts (collectively, the “Distributable Funds”) to make the Distributions to holders of Allowed 4d Claims (“Holder(s)”). The Trustee is authorized to use a deposit account at Union Bank for the purpose of making the Distributions (“Union Bank Distribution Account”). The Trustee is further authorized to transfer the Distributable Funds into the Union Bank Distribution Account to make the Distributions. The Trustee is authorized pay all costs and expenses incurred in connection with the implementation of a "positive pay" payment system for the Distributions.

3. The Trustee is authorized to make the Distributions directly to the Holders by check utilizing the services of the Claims Agent. Alternatively, in the event that a Holder is unable to negotiate the check received from Claims Agent, the Trustee is authorized to wire transfer the funds to the applicable Holder's bank account. All costs and expenses incurred by the Estate in connection with the cancellation of a check and either (i) initiating a wire transfer or (ii) reissuing a check (collectively, the “Bank Fees”) shall be paid for by the applicable Holder and the Trustee is authorized to deduct the Bank Fees from the Distribution. The Trustee may, in his sole discretion, withhold any Distribution if (x) the total amount to be distributed on account of an Allowed 4d Claim is less than \$100 or (y) a Prior Distribution was either returned to the Claims Agent as undeliverable or was not negotiated by the

Holder.

4. With respect to a Distribution to any Holder that is either (i) not negotiated by the Holder within ninety (90) days of the date of the check or (ii) undeliverable by virtue of a bad address, bad transfer instructions or any other reason that prevents the Trustee from properly transferring the Distribution to the Holder, the Trustee, in his sole discretion, may either (a) resend such Distribution, less any applicable stop payment fees, to the Holder once an updated address or transfer instructions are provided or (b) withhold such Distribution until the Court authorizes a subsequent distribution to such Holder. If any dispute arises as to the identity of a Holder who is to receive a Distribution, the Trustee may, in his sole discretion, withhold the Distribution until the disposition thereof can be determined by this Court or by written agreement among the interested parties to such dispute.

5. The record date for the Distributions shall be 11:59 p.m. (CST) on February 20, 2020 (“Record Date”). As of the Record Date, the claims register is closed and the Trustee shall have no obligation to recognize transfers of any claims occurring after the Record Date for the purposes of the Distributions. The Trustee is authorized to mail Distribution checks to each Holder at the address contained in the proof of claim as of the Record Date.

6. Nothing in this Order shall modify the Trustee's authority to make distributions to holders of Allowed 30.7 Claims pursuant to the Order Granting Trustee's Motion for An Order (1) Authorizing up to 100% Distribution on Allowed 30.7 Customer Claims and an Interim Distribution on Allowed 4d Customer Claims and (2) Authorizing the Allocation of Certain Settlement Proceeds to the 4d Customer Estate [Dkt. No. 3256].

7. The Trustee is authorized to retain the Reserved Funds for the purpose of satisfying the Undeliverable Distributions and estimated Administrative Claims. In making the Distributions authorized under this Order, the Trustee is not be required to establish a reserve for (i) any Futures Customers that did not timely file a proof of claim as required by any applicable bar date order entered in this case, (ii) any Priority Claims, or (iii) any General Unsecured Claims.

8. As evidenced by the certificates of service filed with the Court, (i) proper, timely, adequate and sufficient notice of the Motion has been provided, (ii) such notice was reasonable, sufficient and appropriate under the circumstances of the case and reasonably calculated to reach and apprise all holders of claims affected by the relief requested in this Order; and (iii) no other or further notice of the Motion is required.

Enter:



Honorable Carol A. Doyle
United States Bankruptcy Judge

Dated: March 18, 2020

Prepared by:

Allen J. Guon (#6244526)
Fox Rothschild LLP
321 North Clark Street, Suite 1600
Chicago, IL 60654