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Hearing Date: May 28, 2024 at 2:00 p.m. (EST)
Objections Deadline: May 21, 2024 by 11:59 p.m. (EST)
Reply Deadline: May 24, 2024 at 4:00 p.m. (EST)

*Attorneys for Jefferies Strategic Investments, LLC and
Leucadia Asset Management Holdings LLC*

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

In re:

WEISS MULTI-STRATEGY ADVISERS
LLC, *et al.*¹

Debtors.

Chapter 11

Case No. 24-10743 (MG)
Case No. 24-10744 (MG)
Case No. 24-10745 (MG)
Case No. 24-10746 (MG)

(Joint Administration Requested)

**NOTICE OF MOTION OF JEFFERIES STRATEGIC INVESTMENTS, LLC AND
LEUCADIA ASSET MANAGEMENT HOLDINGS LLC FOR CONVERSION
OF THE DEBTORS' CASES TO CHAPTER 7 PURSUANT TO 11 U.S.C. § 1112(B)**

PLEASE TAKE NOTICE that, on May 28, 2024 at 2:00 p.m. (EST), or as soon thereafter as counsel may be heard, a hearing (the "Hearing") will be conducted before the Honorable Martin Glenn, Chief Judge of the United States Bankruptcy Court for the Southern District of New York,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Weiss Multi-Strategy Advisers LLC ("WMSA") (7518); GWA, LLC ("GWA") (7079); OGI Associates LLC ("OGI") (4493); and Weiss Special Operations LLC ("WSO") (7626). The location of Debtor Weiss Multi-Strategy Advisers LLC's principal place of business is 320 Park Avenue, 20th Floor, New York, New York 10022 and the Debtors' service address in these Chapter 11 Cases is P.O. Box 2857, Meriden, Connecticut 06450.

on the motion (the “Motion”) of Jefferies Strategic Investments, LLC (“JSI”) and Leucadia Asset Management Holdings LLC (“LAM Holdings,” and with JSI, the “Jefferies Entities”) seeking entry of an order, pursuant to sections 105(a) and 1112(b) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rules 1017(f) and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), converting the above-referenced Debtors’ Chapter 11 cases to cases under Chapter 7 of the Bankruptcy Code and granting such other and further relief as the Court deems just and proper.

PLEASE TAKE FURTHER NOTICE that the Hearing will be conducted by Zoom for Government® using the instructions on the Court’s website, which can be found at: <https://www.nysb.uscourts.gov/zoom-video-hearing-guide>. If you wish to appear at the Hearing, you must register your appearance utilizing the Electronic Appearance portal located on the Court’s website, which can be found at: <https://ecf.nysb.uscourts.gov/cgi-bin/nysbAppearances.pl>, or by clicking the “eCourtAppearances” tab on Judge Glenn’s page of the Court’s website at, <https://www.nysb.uscourts.gov/content/chief-judge-martin-glenn>. Appearances must be entered no later than 4:00 p.m. one business day prior to the Hearing. After the deadline to make appearances passes, the Court will send Outlook invitations to those persons who made eCourtAppearances using the email addresses submitted with those appearances.

PLEASE TAKE FURTHER NOTICE that objections to the Motion, if any, must be in writing, conform with the Bankruptcy Code and the Bankruptcy Rules, state with particularity the grounds therefor, and be filed with the Court, and served upon the undersigned, so as to be received no later than **May 21, 2024 by 11:59 p.m.** (“Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that, in the event no objections are received by the Objection Deadline, an order may be entered granting the relief requested in the Motion without a hearing having been held.

Dated: New York, New York
May 6, 2024

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Chapter 11

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OF THE DEBTORS' CASES TO CHAPTER 7 PURSUANT TO 11 U.S.C. § 1112(B)**

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Jefferies Strategic Investments, LLC (“JSI”) and Leucadia Asset Management Holdings LLC (“LAM Holdings,” and with JSI, the “Jefferies Entities”), by and through their undersigned counsel, hereby file this motion (the “Motion”), pursuant to Section 1112(b) of title 11 of the United States Code (the “Bankruptcy Code”), requesting that the court convert the above-referenced debtors’ (the “Debtors”) Chapter 11 cases (the “Chapter 11 Cases”) to cases under Chapter 7 of the Bankruptcy Code. In support of this Motion, the Jefferies Entities respectfully state as follows:

PRELIMINARY STATEMENT

1. It is well-established that the protections of Chapter 11 of the Bankruptcy Code exist to assist debtors in their efforts to reorganize and emerge as reformed and solvent entities.
2. These Chapter 11 Cases, however, represent nothing more than a transparent and bad-faith attempt by the Debtors and their management to enrich themselves at the expense of their largest creditors, the Jefferies Entities, by preventing any third-party inquiry into a series of well-documented fraudulent and preferential transfers of the Debtors’ assets. Further, the administration of these Chapter 11 Cases will incur needless expenses for companies that are no longer operating and do not have any meaningful assets to liquidate.
3. This Court should convert these Chapter 11 Cases into a Chapter 7 liquidation proceeding, pursuant to which a disinterested trustee may marshal and then distribute the Debtors’ assets to the Debtors’ creditors (including to the Jefferies Entities) in an equitable manner, for at least three reasons.
4. *First*, there is substantial evidence that the Debtors’ management team has decided to pursue these Chapter 11 Cases in a bad-faith effort to obtain leverage in their dispute with the Jefferies Entities, rather than to pursue any activities that would result in the reorganization of the Debtors themselves. For the past three months, the Jefferies Entities have

repeatedly refrained from exercising their rights and remedies as they sought to reach a compromise regarding the Debtors' indebtedness. The Debtors, meanwhile, seemingly misrepresented themselves to the Jefferies Entities in those negotiations, and utilized the additional time that their dishonesty bought them to liquidate and distribute—to corporate insiders—assets that could have been used to pay the Jefferies Entities and other creditors in an equitable manner. The Debtors have since publicly announced their intention to terminate all future business operations, leaving no apparent mechanism—aside from a Chapter 7 process—to marshal the Debtors' assets and then address the Debtors' debts.

5. *Second*, the Debtors' management team has publicly announced that it has no intention of rehabilitating the Debtors' businesses, and the estate will face continued diminution in value in pursuing a pointless Chapter 11 proceeding. That too warrants conversion of these proceedings to a Chapter 7 liquidation.

6. *Third*, the Debtors have pre-emptively declared their intention to grossly mismanage their nascent bankruptcy estate by refusing to investigate and pursue a series of preferential and fraudulent transfers that the Debtors' management team made to themselves and their close allies while the Debtors were insolvent. These claims are a material portion of—if not the only—viable assets belonging to the estate. The protections of Chapter 11 should not be extended to protect the Debtors from their transparent self-dealing while they pursue baseless claims against their largest creditor.

JURISDICTION, VENUE, AND STATUTORY BASIS

7. The bases for jurisdiction of this Motion are 28 U.S.C. §§ 1334 and 157. Venue is appropriate under 28 U.S.C. § 1408. This contested matter is “core.” The statutory bases for the relief requested are Sections 105(a) and 1112 of the Bankruptcy Code. No prior request to convert the cases to Chapter 7 has been made.

BACKGROUND

I. The Debtors Incur More than \$100 Million in Liabilities to the Jefferies Entities

8. GWA, the parent company of the other Debtors, entered into two Note Purchase Agreements, three Notes, and a Strategic Relationship Agreement with the Jefferies Entities. (*See* Daraviras Decl. ¶¶ 3, 5, 9).² Pursuant to the terms of these agreements, the Debtors presently owe approximately \$100 million in liabilities to the Jefferies Entities. (*See* Daraviras Decl. ¶¶ 4, 12).

9. The amounts owed to the Jefferies Entities represent— to the tune of 92%—the majority of the Debtors’ total liabilities. GWA’s records show that in 2022, GWA’s debts to the Jefferies Entities and their affiliates constituted approximately 90% of their “Long Term Liabilities,” exclusive of non-bonus compensation owed to employees. (*See* Ex. A). By December 31, 2023, that number had risen to more than 93%. (*See* Ex. B).

10. In late 2021, JSI agreed to forbear from enforcing its right to call the Notes, and also entered into an amendment to the Strategic Relationship Agreement, all with the aim of facilitating an orderly and efficient resolution of their liabilities. (*See* Daraviras Decl. ¶ 8). In 2022 and 2023, JSI again accommodated GWA by agreeing to forbear certain of its rights to call the Notes for immediate payment. (*Id.* ¶ 10).

11. By late 2023, the Debtors’ financial condition had continued to deteriorate, leaving the Jefferies Entities with little choice but to pursue remedies to collect the debts they were owed. However, the Debtors’ Chief Executive Officer, George Weiss, repeatedly requested that the Jefferies Entities defer taking any such actions, all while claiming that he was pursuing a new “strategic relationship” with a large, institutional multi-fund manager. George Weiss claimed that

² “Daraviras Decl.” refers to the Declaration of Nicholas Daraviras, which is being submitted contemporaneously with this memorandum. “Ex.” refers to the exhibits to the Daraviras Decl.

this hypothetical transaction would infuse GWA with capital, which could then be used to pay down the debt owed to the Jefferies Entities. (*Id.* ¶ 14). Based on those representations, the Jefferies Entities elected not to pursue the remedies available to them at that time. However, the Jefferies Entities asked for assurances that the Debtors would not make unnecessary payments while insolvent, or otherwise prioritize the payment of other creditors above the debts owed to the Jefferies Entities, until a transaction could be concluded with the multi-fund manager. (*Id.*).

12. In early 2024, the Jefferies Entities received information indicating that the Debtors intended to pay, at the end of February 2024, more than \$30 million in “bonuses” to its employees, notwithstanding that Debtors: (i) owed JSI approximately \$50.3 million under the Notes; and (ii) were hopelessly insolvent. (*Id.* ¶ 16).

13. In response to the Jefferies Entities’ concerns, the Debtors’ executives repeatedly represented to the Jefferies Entities that the Debtors would not make those payments until the end of February 2024. (*Id.* ¶¶ 17–18). Based upon those representations, and the anticipated influx of capital from the multi-fund manager’s investment, on February 2, 2024, the Jefferies Entities sent the Debtors a draft forbearance agreement. (*Id.* ¶ 19). The draft forbearance agreement prohibited the Debtors from paying, granting, or transferring bonus compensation to any of their employees. (*Id.*).

14. Upon receiving that draft, Jeffrey Dillabough, WMSA’s General Counsel, sent an email to JSI, in which he assured JSI that the Debtors were “operating the business in the normal course.” (Ex. C).

15. Yet, far from “operating the business in the normal course,” the Debtors were actively liquidating assets. Then, on February 8, 2024, the Debtors surreptitiously made nearly \$30 million in bonus payments (the “Payouts”) to 86 of their employees, in complete disregard of

their representations and contractual obligations to the Jefferies Entities, and weeks ahead of schedule. (Exs. C, D). Only after the Payouts had been made did the Debtors disclose to the Jefferies Entities that they had transferred—for no additional value received—the nearly \$30 million worth of Payouts. (Daraviras Decl. ¶ 22).

II. Debtors Attempt to Negotiate a Settlement with the Jefferies Entities While Terminating their Operations

16. After disclosing the surprise bonus payments from a company on the precipice of shutting down and liquidating, the Debtors’ management team again requested that the Jefferies Entities forbear from exercising their right to initiate litigation against the Debtors. (*Id.* ¶ 23). Accordingly, on February 12, 2024, Debtors executed a further forbearance agreement.³ (*Id.* ¶ 24). In that agreement, the Debtors acknowledged that their obligations under the Notes were past due, and each of the Debtors guaranteed GWA’s obligations to the Jefferies Entities. (*Id.*).

17. However, with no capital infusion in sight, and having liquidated (and then distributed to corporate insiders) nearly all their available funds, the Debtors decided to announce that they would “cease operations, terminate their advisory and affiliated businesses, close the managed funds[,] begin the process of returning capital to [their] clients,” liquidate their assets, and “distribute ” the “majority of the proceeds . . . to the investors.” (Compl. ¶ 24).

18. Since announcing their intention to terminate all ongoing business activities, the Debtors have taken *zero* steps to preserve assets for the benefit of the Debtors’ creditors—primarily, the Jefferies Entities.

³ In an adversary proceeding filed against the Jefferies Entities, the Debtors now seek to avoid this agreement, and the attendant security interest they granted. (See Compl. to Avoid and Recover Avoidable Transfers ¶¶ 60–69, *GWA, Inc. v. Jefferies Strategic Investments, LLC*, Adv. Proc. 24-10743 (Bankr. S.D.N.Y. March 29, 2024) (the “Compl.” Or “Complaint”)).

19. For example, the Jefferies Entities repeatedly informed the Debtors that the \$30 million in Payouts were illegal preferential and fraudulent transfers, which should be pursued by the Debtors. (Daraviras Decl. ¶ 26). Yet, the Debtors have expressly refused to take any steps to recover the Payments for the benefit of the estate, instead declaring the issue to be a “non-starter.” (*Id.*). The Debtors have taken no other steps to generate value that could be used to satisfy the Debtors’ debts.

20. Similarly, and notwithstanding their promises in the forbearance agreement, the Debtors have continued to deplete estate assets. For example, on March 1, 2024, JSI was informed that WMSA made a \$22,100.00 payment to Intertrust Corporate & Fund Services (VITEOS), a \$343,051.14 payment to United Healthcare, and a \$13,728.20 payment to Chiment (Wallingford). (Ex. E). On that same date, JSI was informed that GWA made a \$30,400.00 payment to KPMG. (*Id.*). Debtors have provided no explanation as to why these expenses should have been paid ahead of the amounts that the Debtors owe to the Jefferies Entities. (Daraviras Decl. ¶ 28).

21. While the Debtors have been actively depleting the estate’s assets, the Jefferies Entities have been working to negotiate a potential compromise and resolution regarding their claims.

22. As part of those negotiations, on or about April 18, 2024, the Debtors’ Chief Executive Officer—George Weiss—reached an agreement in principle, on the Debtors’ behalf, to pay the Jefferies Entities a percentage of what the Jefferies Entities are owed. (*Id.* ¶¶ 29–30). In response, the Jefferies Entities prepared an email memorializing the terms of that agreement, which they sent to the Debtors’ current management in late April 2024. (*Id.* ¶ 31).

III. Debtors File for Chapter 11 Bankruptcy to Escape Liability

23. George Weiss's and the Debtors' willingness to "negotiate" a potential settlement was evidently a ruse. Indeed, shortly after receiving the term sheet reflecting the agreements that George Weiss had made, George Weiss announced that he would not actually be able to make an initial payment. (*Id.*). And while the Jefferies Entities offered to work on "something creative" to keep a potential resolution alive and avoid litigation, Weiss instead apparently instructed the Debtors to prepare these Chapter 11 Cases. (*Id.* ¶ 33).

24. In turn, without any warning to the Jefferies Entities, the Debtors filed a petition seeking the protection of Chapter 11 of the Bankruptcy Code. (*See* ECF No. 1). Simultaneously, the debtors also filed an adversary proceeding against the Jefferies Entities, asserting clearly meritless claims seeking to claw back payments that they made to JSI. (*See generally* Compl.). Debtors have chosen to pursue no other transferees, including the insiders to whom the Debtors issued nearly \$30 million in Payouts. (*See* ECF Nos. 1–9).

ARGUMENT

25. Under Section 1112(b)(1) of the Bankruptcy Code, "the court shall convert a case under [chapter 11] to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, for cause" 11 U.S.C. § 1112(b)(1). "Cause," in turn, is defined in Section 1112(b)(4) to include: (A) the "substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation [of the debtor's business]," and (B) the "gross mismanagement of the estate." *Id.* §§ 1112(b)(4)(A), (B).

26. Moreover, while not specifically listed under Section 1112(b)(4) of the Bankruptcy Code, it is also "well-established that when a debtor files or administers a Chapter 11 proceeding in bad faith, that constitutes 'cause,'" which in turn justifies the conversion of a Chapter 11 case

to a Chapter 7 liquidation. *In re Jar 259 Food Corp.*, 2023 WL 6201739, at *4 (E.D.N.Y. Sept. 22, 2023).

27. As is explained in detail below, the Debtors' filing of the Chapter 11 Cases was made in bad faith, there is no reasonable likelihood that the Debtors will rehabilitate their business, and the Debtors' current management team has been—and is certain to continue—mismanaging the estate. The case should be converted to a Chapter 7 proceeding so that the Debtors' assets may be identified, liquidated, and distributed to the Debtors' creditors in an equitable manner.⁴

I. The Debtors Have Sought Chapter 11's Protections in Bad Faith

28. “The principal purpose of the Bankruptcy Code is to grant a fresh start to the honest but unfortunate debtor.” *Marrama v. Citizens Bank of Mass.*, 549 U.S. 365, 367 (2007) (internal quotation marks omitted). As a result, the law recognizes that “[g]ood faith ‘is required to prevent fraud or abuse of the bankruptcy process,’” *In re Halal 4 U LLC*, 2010 WL 3810860, at *2 (Bankr. S.D.N.Y. Sept. 24, 2010), and that “when a debtor files or administers a Chapter 11 proceeding in bad faith,” the bad-faith nature of the filing itself constitutes “cause” sufficient to warrant the conversion of the case to a Chapter 7 proceeding. *In re Jar 259 Food Corp.*, 2023 WL 6201739, at *4.

29. “[T]he critical test of a debtor’s bad faith” is “whether on the filing date there was no reasonable likelihood that the debtor intended to reorganize and whether there is no reasonable possibility that the debtor will emerge from bankruptcy.” *In re Halal 4 U LLC*, 2010 WL 3810860, at *2. Bad faith also exists where the “[d]ebtor’s reorganization essentially involves the resolution of a two-party dispute,” *In re Lin*, 499 B.R. 430, 437 (Bankr. S.D.N.Y. 2013), because such actions

⁴ Further, the Jefferies Entities reserve their rights to pursue Rule 11 sanctions against the Debtors' advisors and seek the return of attorneys' fees paid in connection with commencing these Chapter 11 Cases.

“can be resolved in a non-bankruptcy forum,” and “Chapter 11 was never intended to be used as a fist in a two party bout.” *In re HBA E., Inc.*, 87 B.R. 248, 260 (Bankr. E.D.N.Y. 1988) (collecting cases).

30. Here, there are at least four indicia that the Debtors’ Chapter 11 Cases were filed in bad faith.

31. *First*, and most importantly, the Debtors do not intend to reorganize at all. To the contrary, the Debtors have admitted in Court filings that, beginning on March 1, 2024, they began a process “to cease operations, terminate their advisory and affiliated businesses, close the managed funds[,] . . . begin the process of returning capital to its clients,” liquidate their assets, and “distribute[.]” “[the Debtors]’ proceeds . . . to the investors.” (Compl. ¶ 24). And without any assets or future operational plans, the Debtors will have no means to possibly pay any portion of the amounts they owe to the Jefferies Entities. That the Debtors have publicly announced their intention to wind down their business before the initiation of these Chapter 11 Cases, without any plan or hope for emerging as a new and functioning businesses to assist in the payment of the debts owed to the Jefferies Entities, is indicative that these Chapter 11 Cases were filed in bad faith. *See In re Loco Realty Corp.*, 2009 WL 2883050, at *7 (Bankr. S.D.N.Y. June 25, 2009) (finding bad faith where “Debtor has not proposed a feasible or reasonable plan and will not likely be able to successfully emerge from bankruptcy”); *In re Red Bull Taxi Inc.*, 2017 WL 1753234, at *3 (finding that where, even if “the Debtor devoted its entire revenue stream solely to paying [the moving creditor]’s claim, it would take nearly 28 years just to pay the face amount of [the] claim,” there was “no reasonable likelihood that the Debtor will be re-established on a sound financial basis”).

32. *Second*, this case involves a “two-way dispute” between the Debtors and the Jefferies Entities, as opposed to a series of conflicting liabilities that outnumber a finite amount of

resources. GWA's 2022 financial statements indicate that GWA's debts to the Jefferies Entities and their affiliate's constituted approximately 90% of their "Long Term Liabilities" exclusive of compensation owed to employees. (*See* Ex. A). By December 31, 2023, that number had gone up to over 93%. (*See* Ex. B). Debtors have shown no intent to reorganize any other creditors' debts, but have instead clearly targeted the Jefferies Entities by filing what is a largely meritless case seeking to void historic debt payments by the Debtors as fraudulent transfers. (Compl. ¶¶ 88–92). That too indicates bad faith. *See In re Lin*, 499 B.R. at 437 (“[D]ebtor’s bad faith was apparent from a filing motivated by or targeted at one sole creditor.”).

33. *Third*, the timing of the Debtors' Chapter 11 filing illustrates the Debtors' bad faith. The Debtors and the Jefferies Entities engaged in months of negotiations, all of which resulted in an initial agreement in principle to address the Debtors' indebtedness. (Daraviras Decl. ¶ 30). Yet, after reneging on their agreement and being warned by the Jefferies Entities that litigation was imminent, the Debtors' filed these Chapter 11 Cases. (*Id.* ¶ 33). Debtors' efforts to “delay or thwart” what should be a simple two-party “state court litigation” between them and the Jefferies Entities shows their action “is not a good-faith effort to reorganize.” *In re Feldman*, 597 B.R. 448, 460 (Bankr. E.D.N.Y. 2019) (noting that courts have found “bad faith where the case was essentially a two-party dispute and where the debtor filed the case on the eve of a state court lawsuit which was brought by the only genuine creditor”), *aff’d sub nom. Glassman v. Feldman*, 2020 WL 6119270 (E.D.N.Y. Oct. 16, 2020); *In re Purpura*, 170 B.R. 202, 207 (Bankr. E.D.N.Y. 1994) (“Where, as here, a debtor’s Chapter 11 effort involves essentially a two party dispute based on state law, and the filing for relief represented a litigation tactic to stall and impede the enforcement of legal rights against the debtor, dismissal for ‘cause’, i.e., a bad-faith filing, is warranted.”).

34. *Fourth*, the Debtors have made demonstrably false statements in court filings that they have submitted in these Chapter 11 Cases. Specifically, on the same day that they filed for Chapter 11 protections, the Debtors also initiated an adversary proceeding against the Jefferies Entities. In their complaint, the Debtors identify \$17 million in cash payments made by the Debtors to JSI, which Debtors claim “were not on account of an antecedent debt.” (Compl. ¶¶ 88–92). Yet, as the Debtors are well aware, each one of those transfers was made to pay down amounts owed to JSI. (*See* Daraviras Decl. ¶ 34). It is preposterous to claim, as Debtors do, that those amounts “were not on account of an antecedent debt,” or that Debtors “did not receive reasonably equivalent value in exchange” for those payments. (*See* Compl. ¶¶ 64, 91). That the Debtors are willing to make such demonstrably false allegations in their court filings further underscores the Debtors’ bad faith. *See In re Feldman*, 597 B.R. at 458–59 (finding that “[m]isstatements and omissions . . . in multiple documents filed by the Debtor” were evidence of bad faith); *see also* Fed. R. Bankr. P. 9011(b) (“By presenting to the court . . . a . . . pleading . . . , an attorney . . . is certifying that to the best of the person’s knowledge, information, and belief . . . [the pleading] is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation. . . [and] . . . the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery . . .”).

35. Debtors’ bad faith should not be rewarded, and an independent Chapter 7 trustee should be appointed.

II. The Debtors Have Plundered the Estate and Have No Plan to Reorganize

36. This Court can also convert these cases to a Chapter 7 liquidation pursuant to Section 1112(b)(4)(A), which provides that there is “cause” for a conversion if there is a

“substantial or continuing loss to or diminution of the estate and the absence of a reasonable likelihood of rehabilitation.”

37. “[T]o establish cause under section 1112(b)(4)(A), the moving party must establish two separate prongs: (1) that the estate is suffering a substantial or continuing loss or diminution and (2) the absence of a reasonable likelihood of rehabilitation.” *In re Red Bull Taxi Inc.*, 2017 WL 1753234, at *2. Generally, a continuing loss occurs where “a debtor has a negative cash flow post-petition, and an inability to pay current expenses,” and an inability to be rehabilitated occurs where the debtors are unable to be “put back in good condition; re-establish on a firm, sound basis.” *Id.* (citations omitted).

38. Both prongs are easily met in this case.

39. *First*, the Debtors are facing continuing and increasing losses. Despite their announced intention to wind down, the Debtors’ management has continued to needlessly pay hundreds of thousands of dollars in costs to creditors other than the Jefferies Entities. As just one example, on March 1, 2024, the Debtors’ management elected to pay several parties a total of \$409,279.34. (Ex. E). There is no reason to believe that the Debtors’ current management will be any more restrained in their pursuit of these Chapter 11 Cases. (*See Daraviras Decl.* ¶ 31–34). Moreover, by proceeding under Chapter 11, these “proceedings will involve additional expense,” including costs associated with hiring “several sets of professionals for the Debtors,” who “will continue to run up fees and expenses in the preparation and potential confirmation of a plan of reorganization and in establishing the various matters that must be proved in order to obtain such confirmation.” *In re Nw. Co., LLC*, 2020 WL 6927661, at *2, 4 (Bankr. S.D.N.Y. Nov. 20, 2020) (noting that “the expense of pursuing a chapter 11 plan actually would be greater than the expense of a chapter 7 proceeding”). By delaying the Debtors’ liquidation and incurring the additional

costs associated with the restructuring process, despite having no business plan to generate revenues to address those costs, the Debtors have created a situation where they will have “negative cash flow[s] post-petition,” with no hope of recovery. *See In re Halal 4 U LLC*, 2010 WL 3810860, at *2 (“[I]t is not necessary that the losses to the estate be large. All that need be found is that the estate is suffering some diminution in value.”).

40. *Second*, there is no “reasonable likelihood of rehabilitation.” The case law recognizes that when a debtor’s management team lacks “any intent to reorganize a business, which is the lifeblood of the Chapter 11 process,” and where “the debtor has no reasonable probability of emerging from the bankruptcy proceedings and no realistic chance of reorganizing, then the Chapter 11 petition may be frivolous.” *In re Ameribuild Const. Mgmt., Inc.*, 399 B.R. 129, 132 (Bankr. S.D.N.Y. 2009) (citations omitted). As noted above, the Debtors have admitted that they have no intent, or ability, to be put “back in good condition; [or] re-establish on a firm, sound basis.” Accordingly, “the continued pursuit of a chapter 11 plan would just run up further expense while serving no legitimate purpose.” *In re Nw. Co., LLC*, 2020 WL 6927661, at *2, 4. The case should be converted to Chapter 7.

III. The Debtors Have Grossly Mismanaged the Estate

41. Finally, the Court may grant the Jefferies Entities’ motion pursuant to Section 1112(b)(4)(B) of the Bankruptcy Code, which authorizes a conversion when there is “gross mismanagement of the estate.”

42. “Gross mismanagement” of the estate is determined by looking to the “totality of circumstances.” *In re Sillerman*, 605 B.R. 631, 657 (Bankr. S.D.N.Y. 2019). This includes where a debtor refuses to marshal assets and is conflicted in potentially pursuing claims against its own management. *See In re Natrl Plants and Lands Mgmt. Co.*, 68 B.R. 394, 396 (Bankr. S.D.N.Y.

1986) (converting to chapter 7 where there was a “question as to whether the debtor would be as impartially motivated to collect the amounts due from its affiliates and to determine whether or not preferential or otherwise avoidable transfers had been made to these affiliates or to its principal shareholder”); *see also In re Klaynberg*, 643 B.R. 309, 322 (Bankr. S.D.N.Y. 2022) (finding “allegations regarding substantial transfers made by Debtor . . . with no ostensible business purpose, which occurred . . . in the months leading up to the bankruptcy” were evidence of gross mismanagement under related statute).

43. Here, the Debtors have been grossly mismanaged, and there is absolutely no basis to conclude that the current management team has any intention of maximizing value for the estate.

44. It is undisputed that on February 8, 2024—well within the one-year claw back period for preferential transfers to insiders under 11 U.S.C. § 547—the Debtors made nearly \$30 million in Payouts to 86 employees and executives. (Ex. D). Debtors acknowledge that they made those payments, and that they were insolvent at that time. (*See* Compl. ¶ 34). Yet, the Debtors’ management team has stated that it is a “non-starter” for the Debtors to pursue any of the nearly \$30 million in potentially preferential or fraudulent conveyances, despite the fact that those payments were made well within the required period, purportedly for “antecedent debts.” (Daraviras Decl. ¶ 26). In keeping with their self-dealing to date, Debtors have brought just one adversary proceeding, *against the Jefferies Entities*, by far their largest creditors.

45. The Debtor’s refusal to pursue its claims against the recipients of the Payouts, which may be the sole remaining assets available to the Debtors’ estate, constitutes gross mismanagement and warrants conversion of this case to Chapter 7. *See In re Natrl Plants and Lands Mgmt. Co.*, 68 B.R. at 396 (converting case to Chapter 7 based upon “question as to whether

the debtor would be as impartially motivated to collect the amounts due from its affiliates and determine whether or not preferential or otherwise avoidable transfers had been made . . .”).

CONCLUSION

WHEREFORE, for all these reasons, the Jefferies Entities respectfully request that the Court convert the Debtors’ Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code.

Respectfully submitted,

Dated: New York, New York
May 6, 2024

**HERBERT SMITH FREEHILLS
NEW YORK LLP**

By: /s/ Scott S. Balber

Scott S. Balber

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Michael.Jones@hsf.com

*Attorneys for Jefferies Strategic
Investments, LLC and Leucadia
Asset Management Holdings LLC*

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

In re:

WEISS MULTI-STRATEGY ADVISERS
LLC, *et al.*¹

Debtors.

Chapter 11

Case No. 24-10743 (MG)

Case No. 24-10744(MG)

Case No. 24-10745 (MG)

Case No. 24-10746 (MG)

(Joint Administration Requested)

**[PROPOSED] ORDER PURSUANT TO 11 U.S.C. §1112(b) CONVERTING THE
DEBTORS' CASES TO CASES UNDER CHAPTER 7 AND GRANTING
RELATED RELIEF**

Upon the *Declaration of Nicholas Daraviras in Support of Jefferies Strategic Investments, LLC and Leucadia Asset Management Holdings LLC Motion for Conversion of the Debtors' Cases to Chapter 7 Pursuant to 11 U.S.C. § 1112(B)*, the *Motion of Jefferies Strategic Investments, LLC and Leucadia Asset Management Holdings LLC for Conversion of the Debtors' Cases to Chapter 7 Pursuant to 11 U.S.C. § 1112(B)* (the "Motion"), the *Affidavit of Service* concerning the Motion; and the record of the hearing held before this Court on May 28, 2024 at 2:00 p.m. ("Hearing");

THE COURT FINDS AND DETERMINES THAT:

a. There is cause to convert the Debtors' cases from administration under Chapter 11 to Chapter 7 of title 11 of the United States Code (the "Bankruptcy Code").

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Weiss Multi-Strategy Advisers LLC ("WMSA") (7518); GWA, LLC ("GWA") (7079); OGI Associates LLC ("OGI") (4493); and Weiss Special Operations LLC ("WSO") (7626). The location of Debtor Weiss Multi-Strategy Advisers LLC's principal place of business is 320 Park Avenue, 20th Floor, New York, New York 10022 and the Debtors' service address in these Chapter 11 Cases is P.O. Box 2857, Meriden, Connecticut 06450.

b. Conversion of the Debtors' cases from Chapter 11 to Chapter 7 is in the best interests of the Debtors' estate and all creditors of the estate.

c. There are no unusual circumstances that would justify not converting the Debtors' cases pursuant to section 1112(b) of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Motion is granted, and it is further;

ORDERED that the Debtors' cases are converted from Chapter 11 to Chapter 7 for cause pursuant to section 1112 of the Bankruptcy Code.

Dated: New York, New York
May __, 2024

Honorable Martin Glenn
Chief United States Bankruptcy Judge

HERBERT SMITH FREEHILLS

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*Attorneys for Jefferies Strategic Investments, LLC and
Leucadia Asset Management Holdings LLC*

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

In re:

WEISS MULTI-STRATEGY ADVISERS
LLC, *et al.*¹

Debtors.

Chapter 11

Case No. 24-10743 (MG)

Case No. 24-10744(MG)

Case No. 24-10745 (MG)

Case No. 24-10746 (MG)

(Joint Administration Requested)

**DECLARATION OF NICHOLAS DARAVIRAS IN SUPPORT OF
JEFFERIES STRATEGIC INVESTMENTS, LLC AND LEUCADIA
ASSET MANAGEMENT HOLDINGS LLC MOTION FOR CONVERSION OF
THE DEBTORS' CASES TO CHAPTER 7 PURSUANT TO 11 U.S.C. § 1112(B)**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Weiss Multi-Strategy Advisers LLC ("WMSA") (7518); GWA, LLC ("GWA") (7079); OGI Associates LLC ("OGI") (4493); and Weiss Special Operations LLC ("WSO") (7626). The location of Debtor Weiss Multi-Strategy Advisers LLC's principal place of business is 320 Park Avenue, 20th Floor, New York, New York 10022 and the Debtors' service address in these Chapter 11 Cases is P.O. Box 2857, Meriden, Connecticut 06450.

I, Nicholas Daraviras, declare under penalty of perjury as follows:

1. I am Co-President of Leucadia Asset Management Holdings LLC (“LAM Holdings”). I submit this affidavit in support of the motion of LAM Holdings and Jefferies Strategic Investments, LLC (“JSI,” and with JSI and LAM Holdings, “the Jefferies Entities”) seeking to convert the above-referenced debtors’ (the “Debtors”) chapter 11 cases (the “Chapter 11 Cases”) to cases under chapter 7 of the Bankruptcy Code.

2. I submit this declaration on my own personal knowledge and, if called to do so, could competently testify to the facts stated herein under oath.

The Debtors’ Obligations to the Jefferies Entities

3. On or about May 1, 2018, LAM Holdings and GWA, LLC (“GWA”) entered into a Strategic Relationship Agreement. Under the Strategic Relationship Agreement, GWA agreed, under certain conditions, to share with LAM Holdings defined amounts of profit and revenue that it realized.

4. According to the Jefferies Entities’ records, GWA owes LAM Holdings \$50,902,392.00 of revenue sharing fees pursuant to the Strategic Relationship Agreement,

5. Separately, on or about December 3, 2019, JFG Funding LLC (“JFG Funding”) entered into a Note Purchase Agreement with GWA (the “2019 Note Purchase Agreement”), pursuant to which GWA issued \$50 million in notes (each a “Note”) to JFG Funding. In exchange for these notes, JFG Funding loaned GWA \$50,000,000.

6. JFG Funding subsequently assigned its interest in the 2019 Note Purchase Agreement and the Notes to JSI, which was acknowledged by GWA.

The Jefferies Entities Repeatedly Accommodate the Debtors

7. Throughout the course of the Jefferies Entities' relationship with the Debtors, GWA and its corporate affiliates provided the Jefferies Entities with financial documents. Over time, those documents showed that the Debtors were facing increasing insolvency. By way of example:

a. **Exhibit A** to this declaration is a document titled "GWA, LLC and Subsidiaries Consolidated Financial Statements (with independent Auditors' Report Thereon) December 31, 2022," which was provided to the Jefferies Entities by Debtors.

b. **Exhibit B** to this declaration is a document titled "GWA, LLC and Subsidiaries Consolidated Statement of Financial Condition (Unaudited) December 31, 2023," which was provided to the Jefferies Entities by Debtors.

8. In late 2021, as a result of GWA's financial condition, JSI had the right to demand the payment of the notes immediately. However, rather than exercise that right, JSI entered into a forbearance agreement with GWA, pursuant to which it agreed not to immediately call the Notes.

9. Then, on September 21, 2022, GWA and JSI entered into an additional Note Purchase Agreement (the "2022 Note Purchase Agreement"), pursuant to which GWA issued and delivered to JSI a Note in the principal amount of \$3,000,000.

10. Separately, JSI again agreed to accommodate GWA by entering into additional forbearance agreements, executed on or about September 21, 2022 and July 25, 2023, under which JSI agreed to forbear from exercising certain rights to call for the immediate payment on the Notes.

11. However, GWA's financial condition continued to deteriorate.

12. Then, on December 21, 2023, JSI exercised its option under the 2019 Note Purchase Agreement and the 2022 Note Purchase Agreement to redeem the full amounts owed under the Notes. As of March 31, 2024, GWA owed JSI a total of \$50,393,178.00 under the Notes.

The Debtors Abuse the Jefferies Entities Good Faith

13. In late 2023 and early 2024, the Jefferies Entities engaged in numerous discussions with the Debtors regarding both: (i) the Debtors' financial situation, including their increasing insolvency; and (ii) how the Debtors planned to address their indebtedness to the Jefferies Entities.

14. During those discussions, the Debtors' senior management team repeatedly requested that the Jefferies Entities defer taking any steps to enforce their contractual rights, including refraining from initiating a lawsuit against the Debtors. Further, the Debtors' senior management team repeatedly informed me that the Debtors were pursuing a new "strategic relationship" with a large, institutional multi-fund manager, and that the capital raised from that relationship would be used to pay down the debt owed to the Jefferies Entities.

15. In response, the Jefferies Entities insisted that the Debtors not make unnecessary payments or otherwise prioritize the payment of other creditors above the debts owed to the Jefferies Entities.

16. However, in early 2024, the Jefferies Entities learned that the Debtors were intending to pay, at the end of February 2024, approximately \$30 million in bonuses and employee compensation, comprised of \$2.7 million in "management fees," \$8 million in staff and management bonuses, and \$19.6 million in "strategy payouts."

17. In response, the Jefferies Entities contacted the Debtors' management team and objected to the making of those payments before additional capital had been raised and the debt owed to the Jefferies Entities had been repaid.

18. Representatives of the Debtors repeatedly assured me and my team that the Debtors would not make those payments until the end of February 2024.

19. As one example of these discussions, on February 2, 2024, the Jefferies Entities provided Debtors a draft forbearance agreement via email. The draft forbearance agreement prohibited the Debtors from paying, granting, or transferring bonus compensation to any of their employees. While I participated in several discussions with the Debtors in the following week regarding these subjects, in which the Debtors assured me that they were proceeding in the normal course, I did not receive a written response to the draft forbearance agreement.

20. In turn, on February 8, 2024, I sent an email to Michael Edwards, a Deputy Chief Investment Officer at Weiss Multi Strategy Advisors LLC ("WMSA"), Jeffrey Dillabough, WMSA's General Counsel, and George Weiss. In that email, I requested that the Debtors sign the forbearance agreement, and that they "confirm that the management team at Weiss has not undertaken any fraudulent conveyance or other bad act contrary to [the Jefferies Entities'] rights and the protection of [the Jefferies Entities'] interests, including the transfer of any value out of OGI or any other Weiss entity or making any bonus or other payments to employees or other owners or related parties, and will not do so while Weiss is insolvent unless we are paid what is due to us but we need this to be evidenced in writing and legally enforceable." A true and correct copy of an email thread containing that email is attached to this affidavit as **Exhibit C**.

21. In response, Dillabough sent an email in which he stated: "I can assure you that we are operating the business in the normal course. As we all agreed, it is in all of our interests

not to disrupt the teams in order to preserve the value of the organization. George is meeting with [the multi-fund manager] at 3pm to try to work through some (hopefully) final hurdles.”

(Ex. C).

22. I later learned that Dillabough’s statement was false. Specifically, on February 11, 2024, the Debtors management team admitted to me that they had made the nearly \$30 million in bonus payments (the “Payouts”) to 86 of their employees on February 8, 2024, without any notice to or discussion with the Jefferies Entities.

23. That same day, I participated in several calls in which the Debtors’ management team again requested that the Jefferies Entities forbear from exercising any rights and remedies against the Debtors, including by initiating litigation.

24. In response to those discussions, on February 12, 2024, the Debtors executed a further forbearance agreement, in which they acknowledged that its obligations under the Notes were past due and agreed to provide the Jefferies Entities with a security interest in effectively all the Debtors’ property.

25. That same day, the Debtors sent me a document titled “2024 Bonus by employee,” which identifies the amounts paid in bonuses and the employees who received those amounts. A true and copy of that document, redacted to omit the specific amounts paid to each individual employee, is attached to this affidavit as **Exhibit D**.

26. Since learning about the Payouts, I and others at the Jefferies Entities have repeatedly informed the Debtors that the \$30 million in Payouts were illegal preferential and fraudulent transfers, which should be pursued by the Debtors. In response, the Debtors’ management team has told me and others that taking such action is a “non-starter.”

27. On March 1, 2024, I received an email from Jordi Visser, WMSA's President and Chief Investment Officer, indicating that the Debtors made several additional cash payments that day. A true and correct copy of an email thread containing that email is attached to this affidavit as **Exhibit E**. Before receiving this email, the Jefferies Entities were unaware of the Debtors plan to make these payments. The Jefferies Entities never consented to the Debtors making these payments.

28. Neither Mr. Visser nor any other representative of the Debtors have provided an explanation as to why these payments should have been made ahead of the amounts that the Debtors owe to the Jefferies Entities at a time when the Debtors were already insolvent.

29. Since the Debtors disclosed to the Jefferies Entities that they made nearly \$30 million in Payouts, the Debtors and the Jefferies Entities continued to negotiate regarding the Debtors' obligations to the Jefferies Entities. During these discussions the Jefferies Entities advised that a Chapter 7 bankruptcy proceeding would be the appropriate mechanism to resolve Debtors obligations to all creditors and indicated that the Jefferies Entities would file an involuntary proceeding if the Debtors did not do so. However, the Debtors repeatedly requested that the Jefferies Entities not pursue an involuntary Chapter 7 bankruptcy proceeding or initiate any other litigation proceedings. Instead, the Debtors argued that a consensual resolution would be to the benefit of the Debtors' estate and their creditors.

30. Consistent with those representations, on or about April 18, 2024, the Debtors' founder and chief executive officer, George Weiss, represented that he and the Debtors would pay the Jefferies Entities a small percentage of what the Jefferies Entities are owed, in exchange for an agreement that the Jefferies Entities defer pursuing litigation against him and the Debtors.

31. That representation appears to have been a sham. Shortly after the Jefferies Entities confirmed the proposed agreement by email, on April 24, 2024, Weiss reneged on his prior commitments and informed the Jefferies Entities that he would not actually be able to make the payments that he had promised.

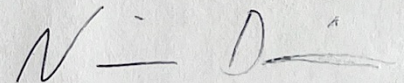
32. Despite that failure, the Jefferies Entities offered to work on something creative to keep a potential resolution alive and avoid litigation. Those efforts were rebuffed.

33. Then, without any additional warning to the Jefferies Entities, the Debtors initiated these proceedings by filing petitions for protection under Chapter 11 of the United States Bankruptcy Code and an adversary proceeding against the Jefferies Entities.

34. In that adversary proceeding, the Debtors allege that transfers made by GWA to JSI for \$5 million, \$10 million, and \$2 million were “not on account of an antecedent debt.” However, I have reviewed the Jefferies Entities records and have confirmed that each of those payments were made to pay down GWA’s existing debts to JSI under the Notes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 4, 2024

A handwritten signature in dark ink, appearing to read 'N. Daraviras', is written over a horizontal line.

Nicholas Daraviras

Exhibit A

GWA, LLC AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
(WITH INDEPENDENT AUDITORS' REPORT THEREON)
DECEMBER 31, 2022

GWA, LLC AND SUBSIDIARIES

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KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

To the Members of
GWA, LLC:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of GWA, LLC and its subsidiaries (the Company), which comprise the consolidated statement of financial condition as of December 31, 2022, and the related consolidated statements of operations, changes in equity (deficit), and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated condensed schedule of investments is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Short Hills, New Jersey
August 28, 2023

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

December 31, 2022

ASSETS

Current assets

Cash and cash equivalents	\$	15,756,197
Due from brokers		17,725,619
Fees receivable, related party		4,811,589
Investments in securities, at fair value (cost \$101,562,124)		82,213,074
Investment in affiliated private investment companies, at fair value		200,000
Derivative contracts, at fair value		1,064,522
Non-current cash - restricted		575,776
Prepaid expenses		1,762,763
Accounts receivable		6,353,845
Notes receivable		3,065,024
Dividends and interest receivable		383,775
Other assets		1,212
Total current assets		133,913,396

Aircraft, property and equipment, net

2,696,633

Right-of-Use Asset

10,807,922

Total assets

\$ 147,417,951

LIABILITIES AND EQUITY

Current liabilities

Securities sold short, at fair value (proceeds \$63,565,818)	\$	62,605,617
Derivative contracts, at fair value		1,733,852
Due to brokers		818,747
Due to related entities		217,442
Compensation payable		36,717,934
Interest and dividend payable		399,688
Lease liabilities, current portion		2,783,370
Accrued expenses and other liabilities		5,413,991
Total current liabilities		110,690,641

Long-term liabilities

Lease liabilities, less current portion	9,654,710
Note payable	48,121,052
Placement fee payable	1,436,041
Revenue share payable	35,747,667
Compensation payable, less current portion	5,633,480
Total long-term liabilities	100,592,950

Total liabilities

211,283,591

Equity

Members' equity (deficit)	(63,867,149)
Non-controlling interest	1,509
	(63,865,640)

Total liabilities and equity (deficit)

\$ 147,417,951

See accompanying notes to consolidated financial statements.

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

For the period end December 31, 2022

Revenues

Management fee income	\$ 47,052,257
Strategy success fee	1,794,090
Incentive fee	(169,549)
Other income	3,318,193
Total revenues	<u>51,994,991</u>

Investment and Trading Income (loss)

Net realized and unrealized gain/(loss) on investments, derivatives, and foreign currency	(2,395,021)
Interest and dividend income (net of withholding taxes of \$114,546)	6,053,845
Interest and dividend expense	(8,568,128)
Net investment and trading income	<u>(4,909,304)</u>

Revenues, net of interest and dividend expenses

47,085,687

Expenses

Salaries, benefits and profit-sharing	65,616,076
Market data and research expense	1,777,687
Occupancy expense	4,164,561
Consulting and professional fees	10,678,273
Computer and data processing	1,815,438
Travel and entertainment	742,246
Depreciation and amortization	759,304
Transportation expense	3,027,927
Fund operating expense	1,065,187
Office and other expenses	998,496
Total expenses	<u>90,645,195</u>

Net loss

(43,559,508)

Net loss attributable to non-controlling interest

(29,884)

Net loss attributable to Members

\$ (43,529,624)

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT)

For the period end December 31, 2022

	Members' Equity (Deficit)		Non-controlling Interest	Total
	Class A	Class B		
Equity (deficit), beginning of year	\$ (15,909,763)	\$ -	\$ 1,578	\$ (15,908,185)
Contributions	3,439,415	-	107,157	3,546,572
Withdrawals	(7,867,177)	-	(77,342)	(7,944,519)
Net gain/(loss)	(42,345,513)	(1,184,111)	(29,884)	(43,559,508)
Equity (deficit), end of year	\$ (62,683,038)	\$ (1,184,111)	\$ 1,509	\$ (63,865,640)

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period end December 31, 2022

Cash flows from operating activities

Net loss	\$	(43,559,508)
Used in operating activities:		
Guaranteed payment to member		3,427,760
Depreciation and amortization expense		759,304
Interest on loans and revenue share		(201,020)
Changes in operating assets and liabilities:		
Due from brokers, excluding restricted cash ⁽¹⁾		(160,156,309)
Fees receivable, related party		1,038,768
Cash - restricted		277,871
Prepaid expenses		(106,804)
Accounts receivable		12,722,756
Notes receivable		(3,065,024)
Dividends and interest receivable		54,470
Other current assets		9,699
Due to brokers		187,108
Compensation payable		(10,030,723)
Interest and dividend payable		(185,978)
Account payable, related party		(16,024)
Accrued expenses and other liabilities		(3,231,490)
Right-of-Use Asset		(10,807,922)
Lease Liabilities		12,438,080

Net cash used in operating activities

(200,444,986)

Cash flows from investing activities

Investments in securities	218,835,421
Investment in affiliated private investment companies	(64)
Derivative contracts	2,552,555
Securities sold short	(169,382,092)
Derivative contracts	(10,956)
Purchases of property and equipment	(1,205,829)

Net cash provided by investing activities

50,789,035

Cash flows from financing activities

Members' contributions	11,655
Proceeds from non-controlling interest capital contributions	29,815
Proceeds from the current loan	3,000,000
Principal payments on note payable	(15,000,000)

Net cash used in financing activities

(11,958,530)

Net change in cash and cash equivalents and restricted cash ⁽¹⁾

(161,614,481)

Cash and cash equivalents and restricted cash, beginning of year ⁽¹⁾

235,104,581

Cash and cash equivalents and restricted cash, end of year ⁽¹⁾

\$ 73,490,100

Supplemental disclosures of cash flow information

Cash paid during the year for interest	\$	3,041,735
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See accompanying notes to consolidated financial statements.

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the Consolidated Statement of Financial Condition that sum to the total of the same such amounts shown in the statement of cash flows.

	December 31, 2022
Cash and cash equivalents	\$ 15,756,197
Restricted cash included in due from brokers ⁽¹⁾	57,733,903
Cash and cash equivalents and restricted cash ⁽¹⁾	\$ 73,490,100

(1) Cash and cash equivalents and restricted cash as of December 31, 2022 includes deposits for securities sold short, collateral pledged for OTC derivative contracts, and initial and variation margin related to futures contracts of \$57,733,903 considered to be restricted cash, which is included in due from brokers on the Consolidated Statement of Financial Condition as of December 31, 2022. Such balances are excluded from the (increase) decrease in due from brokers balance in the changes in operating assets and liabilities section of the consolidated statement of cash flows. See Note 3 for additional disclosure regarding current year restricted cash as included within due from brokers on the Consolidated Statement of Financial Condition.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies

Nature of Operations

GWA, LLC ("GWA") is a holding company with wholly owned subsidiaries, OGI Associates LLC ("OGI") and Weiss Multi-Strategy Funds LLC ("WMSF"), and a majority interest in Weiss Multi-Strategy Advisers LLC ("WMSA") (collectively, "the Company"). Weiss Special Operations LLC ("WSO") is a wholly-owned subsidiary of WMSA. Weiss Reinsurance Partners GP (WRP GP) Limited was established as the general partner to Weiss Reinsurance Partners (Ireland) LP and is registered in Dublin Ireland. WRP GP is a wholly owned subsidiary of WMSA.

OGI's primary business activity is as an investment company. WMSA is a registered investment advisor whose primary business is to provide investment management services. WMSF is a broker-dealer registered with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA") engaged in the business of the private placement of securities and as a mutual fund retailer.

In May 2018, the Company entered into a Strategic Relationship Agreement with a third party. Effective May 1, 2019, the third party is entitled to a quarterly Revenue Share Amount. Under the terms of the agreement, the Company agreed to pay the third party 15% of certain company revenues, quarterly. Effective January 1, 2021, the Company amended the Strategic Relationship Agreement with the third party. Under the amended agreement, the Company agreed to increase the revenue share percentage to 18%.

Organization

The Company was formed as a limited liability company in the State of Connecticut during 1996. The Company will continue until December 31, 2026, unless terminated sooner in accordance with the provisions of its operating agreement.

On March 1, 2021, the Company amended and restated its Operating Agreement to establish two classes of Interests in the Company: Class A Interests, which has voting interests and Class B Interests, which has non-voting Profits Interests.

Class B Profits Interests are awarded annually in accordance with the provisions of the Weiss Multi-Strategy Advisers LLC Bonus Plan for Investment Professionals. An eligible Participant's Equity Bonus for a Plan Year shall be converted to a percentage of total equity in GWA based on GWA's valuation as of March 1 of the year immediately following the Plan Year. Class B Profits Interests equal to one-third of such percentage shall be issued to the Participant on each of the first three March 1's immediately following the Plan Year, provided that the second and third issuances are deferred Profits Interests and are subject to dilution from the date of the initial issuance. The initial Class B Profits Interests were issued on March 1, 2022.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of GWA, LLC and its wholly-owned subsidiaries, OGI and WMSF, as well as its majority owned subsidiary, WMSA. The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation.

These consolidated financial statements were approved by management and available for issuance on August 28, 2023. Subsequent events have been evaluated through this date.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies

Non-Controlling Interest

Non-controlling interest represents the pro rata share of the book value of the financial position and results of operations attributable to the minority owner or non-controlling interest of WMSA and its wholly owned subsidiary WSO. At December 31, 2022, the non-controlling interest was \$1,509.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash, including cash denominated in foreign currencies, represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments, such as money market funds, that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash and cash equivalents held in financial institutions, at times, may exceed federal insured limits. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held for meeting short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to credit risk to the extent those balances exceed applicable Federal Deposit Insurance Corporation or Securities Investor Protection Corporation limitations.

Restricted Cash

Restricted cash consists of cash that is held at a financial institution to support a letter of credit that secures an office space lease of which a related party is the leaseholder.

OGI has restricted cash which is reflected in due from brokers in the statements of asset and liabilities and the details are reflected in Note 3. Restricted cash is subject to a legal or contractual restriction by third parties as well as a restriction as to withdrawal or use, including restrictions that require the funds to be used for a specified purpose and restrictions that limit the purpose for which the funds can be used. OGI considers cash posted with counterparties for collateral arrangements and margins related to derivatives and short position transactions as restricted cash.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value – Valuation Definition and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. A fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs are to be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 - Valuations based on inputs, other than quoted prices included in Level 1 that are observable either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair value is a market-based measure, based on assumptions of prices and inputs considered from the perspective of a market participant that are current as of the measurement date, rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company’s own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The availability of valuation techniques and observable inputs can vary from investment to investment and is affected by a wide variety of factors, including the type of investment, whether the investment is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the investments existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for investments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value – Valuation Techniques and Inputs

Investments in Securities and Securities Sold Short

Investments in securities and securities sold short that are freely tradable and are listed on major securities exchange are valued at their last reported sales price as of the valuation date.

Many over-the-counter (“OTC”) contracts have bid and ask prices that can be observed in the marketplace. Bid prices reflect the highest price that the marketplace participants are willing to pay for an asset. Ask prices represent the lowest price that the marketplace participants are willing to accept for an asset. For securities whose inputs are based on bid-ask prices, the Company’s valuation policies do not require that fair value always be a predetermined point in the bid-ask range.

To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

Investments in Private Investment Companies

Investments in affiliated private investment companies are valued utilizing the net asset values provided by the underlying private investment companies as a practical expedient. The Company applies the practical expedient to its investments in private investment companies on an investment-by-investment basis, and consistently with the Company’s entire position in a particular investment, unless it is probable that the Company will sell a portion of an investment at an amount different from the net asset value of the investment.

Investments in Private Investment Companies (continued)

WMSA had an investment in Weiss Enhanced Global Macro Fund LLC, an affiliated private investment company, of \$100,000 as of December 31, 2022. WMSA investment represented approximately 0.09% of the net asset value of Weiss Enhanced Global Macro Fund LLC as of December 31, 2022. The investment may be redeemed, without restrictions, on a quarterly basis following a 90-day notice period.

At December 31, 2022, WMSA has a \$100,000 investment representing approximately 0.02% ownership in Weiss Multi-Strategy Partners LLC (“MSP”). These amounts are included in the investment in affiliated private investment companies balance shown on the Consolidated Statement of Financial Condition.

In accordance with ASU 2015-07 Topic 820, investments valued using net asset value as the practical expedient are not categorized within the fair value hierarchy.

Derivative Contracts

The Company records its derivative activities at fair value. Gains and losses from derivative contracts are included in net realized gain/(loss) on derivative contracts and net change in unrealized appreciation or (depreciation) on derivative contracts in the Consolidated Statement of Operations.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value – Valuation Techniques and Inputs (continued)

Derivative Contracts (continued)

Option contracts

Options which are listed on major securities exchanges or traded in the OTC market are valued at their last reported sales price as of the valuation date or based on the midpoint of the bid/ask spread at the close of business. Depending on the frequency of trading, listed options are generally classified in Level 1 or 2 of the fair value hierarchy. OTC options are generally classified in Level 2 of the fair value hierarchy.

Futures contracts

Futures contracts, which are listed on major securities exchanges, are valued at their last reported sales price as of the valuation date. Listed futures contracts are generally classified in Level 1 of the fair value hierarchy.

Warrants/Rights

Warrants/rights which are listed on major securities exchanges are valued at their last reported sales price as of the valuation date. Warrants/rights traded in the OTC market are valued using counterparty prices or broker supplied implied volatility levels, when available. When counterparty prices or broker supplied implied volatility levels are not available, and implied volatilities derived from alternative sources are used, such values are key inputs into industry accepted models and are typically the only significant model inputs that are not readily observable. However, in the case of warrants/rights that reference non-public underlying instruments, the price of such underlying instrument may also not be readily observable. Other significant model inputs may include, but not limited to, strike, maturity, or price of underlying instrument. These positions are generally classified in Level 1, Level 2 or Level 3 of the fair value hierarchy depending on the observability of the inputs used in the model or on the observability of pricing for substantially identical instruments in the OTC markets or on listed exchanges.

Credit default swaps

Credit default swaps may be centrally cleared or traded on the OTC market. The fair value for a credit default swap contract is derived using an income or market approach that considers multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, the counterparty's creditworthiness, and current credit spreads obtained from swap counterparties and other market participants. Many inputs into the model do not require material subjectivity as they are observable in the marketplace or set per the contract. Other than the contract terms, valuation is heavily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity.

The Company may also use independent pricing services to determine the value of its credit default swaps. If the underlying debt is liquid and the OTC market for the current spread is active, credit default swaps are categorized in Level 2 of the fair value hierarchy. If the underlying debt is illiquid and the OTC market for the current spread is not active, credit default swaps are categorized in Level 3 of the fair value hierarchy. As of December 31, 2022, the Company had no credit default swaps outstanding.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value – Valuation Techniques and Inputs (continued)

Derivative Contracts (continued)

Interest rate swap/swaptions

Interest rate swaps/swaptions may be centrally cleared or traded on the OTC market. The fair value for interest rate swap/swaption contracts is derived using an income approach that takes into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, interest rates, prepayment speeds and currency rates. Many inputs do not require material subjectivity as they are observable in the marketplace. The Company may also use independent pricing services to determine the value of its interest rate swap/swaptions. Interest rate swaps/swaptions are generally categorized in Level 2 of the fair value hierarchy.

Total return swaps

Total return swaps may be centrally cleared or traded on the OTC market. The fair value of total return swaps is recorded at the swap contract's net equity value including accrued financing costs, dividends and interest. Net equity is calculated by determining the notional fair value of the assets or liabilities underlying the swap contracts, which are typically equity securities, and is consistent with the valuation procedures discussed previously. Total return swaps are generally categorized in Level 2 of the fair value hierarchy.

Forward contracts

Forward contracts are traded on the OTC market. The fair value of forward contracts are valued using observable inputs, such as currency exchange rates or commodity prices, applied to notional amounts stated in the applicable contracts. Forward contracts are generally categorized in Level 2 of the fair value hierarchy.

Government Bonds

The fair value of sovereign government bonds is generally based on quoted prices in active markets. When quoted prices are not available, fair value is determined based on a valuation model that uses inputs that include interest rate yield curves, cross-currency basis index spreads, and country credit spreads similar to the bond in terms of issuer, maturity and seniority. Sovereign government bonds are generally categorized in Levels 1 or 2 of the fair value hierarchy. Government bonds that are traded in active markets are generally categorized in Level 1 of the fair value hierarchy. Government bonds that are not traded in active markets are generally categorized in Level 2 of the fair value hierarchy.

Convertible Bonds

The fair value of convertible bonds is estimated using market maker quotations (where observable), recently executed transactions, or the underlying equity price. To the extent that convertible bonds are valued based on observable market data, such securities are categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, such securities may be categorized in Level 3 of the fair value hierarchy.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Fair Value – Valuation Techniques and Inputs (continued)

Corporate Bonds and Mortgage-Backed Securities ("MBS")

The fair value of corporate bonds and MBS are estimated using recently executed transactions, market price quotations (where observable), bond spreads or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond or single name credit default swap spreads and recovery rates based on collateral values as key inputs. Corporate bonds and MBS are generally categorized in Level 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the fair value hierarchy.

Translation of Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at the date of valuation. Transactions denominated in foreign currencies, including purchases and sales of investments, and income and expenses, are translated into United States dollar amounts on the transaction date. Adjustments arising from foreign currency transactions are reflected in the Consolidated Statement of Operations.

The Company does not isolate that portion of the results of operations arising from the effect of changes in foreign exchange rates on investments in securities from fluctuations arising from changes in market prices of investments held. Such fluctuations are included in net gain on investments, derivatives and foreign currency in the Consolidated Statement of Operations.

Reported net realized gain (loss) on foreign currency transactions arise from sales of foreign currencies and investments in derivative contracts; currency gains or losses realized between the trade and settlement dates on securities transactions; and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Company's books and the U.S. dollar equivalent of the amounts actually received or paid. Net change in unrealized appreciation or depreciation on translation of assets and liabilities in foreign currencies arise from changes in the fair values of assets and liabilities, other than investments in securities and derivatives at the end of the period, resulting from changes in exchange rates.

Investment Transactions and Related Investment Income

Investment transactions are accounted for on a trade-date basis. Dividends are recorded on the ex-dividend date and interest is recognized on the accrual basis. Realized gains and losses on investment transactions may be determined using cost calculated on a specific identification basis. Withholding taxes on foreign dividends have been provided for in accordance with the Company's understanding of the applicable country's tax rules and rates.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Offsetting of Amounts Related to Certain Contracts

Amounts due from and to brokers are presented on a net basis, by counterparty, to the extent the Company has the legal right to offset the recognized amounts and intends to settle on a net basis.

The Company presents on a gross basis the fair value amounts recognized for OTC derivatives executed with the same counterparty under the same master netting agreement, even though such positions may qualify for net presentation.

Fair value amounts recognized for exchange traded futures contracts executed with the same broker are presented on a net basis when the Company has the legal right to offset the recognized amounts and intends to settle on a net basis.

The Company has elected not to offset fair value amounts recognized for cash collateral receivables and payables against fair value amounts recognized for derivative positions executed with the same counterparty under the same master netting arrangement. At December 31, 2022, the Company had cash collateral receivables and payables of approximately \$2,593,000 and \$13,000, respectively, with derivative counterparties under the same master netting arrangement at each broker.

Revenue Recognition

Management Fees

Management fees received from MSP, Weiss Alternative Multi-Strategy Fund ("WAMS"), Weiss Strategic Interval Fund ("WSI"), Weiss Enhanced Global Macro Fund LLC ("WEG"), Weiss Insurance Partners (Cayman) Ltd ("WIP") and Weiss Reinsurance Partners (Ireland) LP ("WRP") consist of fees earned based on a percentage of each MSP, WAMS, WSI, WEG, WIP and WRP member's capital account, pursuant to their investment management agreements. These fees are recognized in the period that they are earned.

Management fees received from third-parties consist of fees earned based on a percentage of the assets that are under management in accordance with the investment management agreements between WMSA and each third party. These fees are recognized in the period that they are earned.

Incentive Fees

Incentive fees are reallocated to WMSA from each member's capital account in MSP, WSI, WEG, WIP and WRP, based on a percentage of net profits in each fund, pursuant to the investment management agreement. These fees are recognized in the period that they are earned.

Incentive fees earned by WMSA from third parties are based on a percentage of net profits in each third-party account by the respective third-party account pursuant to the investment management agreement. These fees are recognized in the period that they are earned.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Revenue Recognition (continued)

Redemption Fees

Redemption fees consist of a fee earned when a member of MSP redeems all or a portion of its membership interest in MSP prior to the one-year anniversary of the member's initial investment. The fee is based on a set percentage, pursuant to the confidential private offering memorandum of MSP and the total fee received is divided equally between WMSA and MSP. There were no redemption fees in 2022.

Other Income

Included in other income in the accompanying Consolidated Statement of Operations is \$1,035,782.72 in aircraft charter income.

Accounts Receivable

Accounts receivable represents amounts owed to the Company from the related parties and third parties primarily consisting of management, strategy success and incentive fees charged during the year. The Company generally does not require collateral when providing credit.

Aircraft, Property and Equipment

Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets, which are 5 to 10 years for furniture and equipment, 3 years for software and up to 15 years for leasehold improvements. The aircraft is being depreciated over its remaining life of 3 years. Maintenance is expensed when incurred. The aircraft was sold in March 2023.

Long-Lived Assets

In accordance with GAAP the Company reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. A loss is recognized on the Consolidated Statement of Operations if it is determined that an impairment exists based on expected future undiscounted cash flows. The amount of the impairment is the excess of the carrying amount of the impaired asset over its fair value. As of December 31, 2022, it was determined that the carrying value of the aircraft was fairly stated and no impairment was recognized.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations and summary of significant accounting policies (continued)

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes. Members are taxed individually on their shares of the Company's earnings. The Company's net income or loss is allocated among the members in accordance with the operating agreement of the Company. WMU and WMSF are subject to the New York City Unincorporated Business Tax ("UBT").

The Company complies with GAAP which requires an asset and liability approach to financial reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred income tax assets to the amount expected to be realized. At December 31, 2022, the Company has deferred tax assets of approximately \$6,800,000 related to a New York City net operating loss carry forward of approximately \$170,000,000, which begins to expire in 2026. A valuation allowance for the full amount of the deferred tax asset has been established due to uncertainty of future utilization of the net operating loss carry forward.

The Company is required to determine whether its tax positions are more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. De-recognition of a tax benefit previously recognized results in the Company recording a tax liability that reduces ending retained earnings. Based on its analysis, the Company has determined that it has not incurred any liability for unrecognized tax benefits as of December 31, 2022. However, the Company's conclusions may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Company recognizes interest and penalties related to unrecognized tax benefits in interest expense and other expenses, respectively. No interest expense or penalties have been recognized as of and for the year ended December 31, 2022.

The Company files an income tax return in the U.S. federal jurisdiction and may file income tax returns in various U.S. states and foreign jurisdictions. The Company is subject to income tax examinations by major taxing authorities beginning with the 2019 tax return through the period covered by these financial statements. The Company underwent an Internal Revenue Service audit for the year 2017. The audit was completed in 2020 and resulted in no change.

In May 2019, the Company petitioned the U.S. Tax Court with respect to its 2009 and 2010 tax years. The trial was held in September 2022. The parties requested closing argument is anticipated to occur in the second quarter of 2023, with a decision rendered by the Court sometime in 2024.

The Company may be subject to potential examination by U.S. federal, U.S. states or foreign jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with U.S. federal, U.S. state and foreign tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Fair value measurements

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy as described in the Company's significant accounting policies in Note 1. The following table presents information about the Company's assets measured at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets (at fair value)				
Investments in securities				
Common stocks	\$ 74,133,142	\$ -	\$ 126,043	\$ 74,259,185
Exchange traded funds	2,617,116	-	-	2,617,116
Debt securities*	-	5,336,773	-	5,336,773
Total investments in securities	76,750,258	5,336,773	126,043	82,213,074
Derivative contracts				
Call options	37,465	20,570	-	58,035
Forward contracts	-	59	-	59
Futures contracts	76,588	-	-	76,588
Put options	49,783	50,991	-	100,774
Swaptions	-	661,715	-	661,715
Total return swaps	-	167,264	-	167,264
Warrants/Rights	86	-	1	87
Total derivative contracts	163,922	900,599	1	1,064,522
	\$ 76,914,180	\$ 6,237,372	\$ 126,044	\$ 83,277,596

* All on-the-run and off-the-run U.S. treasury securities, as presented on the condensed schedule of investments, are included in Level 1 and Level 2 of the fair value hierarchy, respectively. Such securities are included in the government bonds category on the consolidated condensed schedule of investments.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Fair value measurements (continued)

The following table presents information about the Company's liabilities measured at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Liabilities (at fair value)				
Securities sold short				
Common stocks	\$ 40,604,861	\$ -	\$ -	\$ 40,604,861
Exchange traded funds	17,623,615	-	-	17,623,615
Debt securities*	4,377,141	-	-	4,377,141
Total securities sold short	62,605,617	-	-	62,605,617
Derivative contracts				
Call options	460,974	9,061	-	470,035
Forward contracts	-	981	-	981
Futures contracts	392,088	-	-	392,088
Put options	464,111	-	-	464,111
Swaptions	-	210,320	-	210,320
Total return swaps	-	196,317	-	196,317
Total derivative contracts	1,317,173	416,679	-	1,733,852
	\$ 63,922,790	\$ 416,679	\$ -	\$ 64,339,469

The Company's Level 3 investments have been valued using unadjusted inputs that have not been internally developed by the Company, including third-party transactions and indicative broker quotations. As a result, there were no observable inputs that have been internally developed by the Company in determining the fair value of the investments as of December 31, 2022.

Changes in Level 3 assets measured at fair value for the year ended December 31, 2022, were as follows:

	Common Stocks
Transfers in	\$ 72,008
Sales	(2,120)

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. Due from/to brokers

Due from/to brokers includes cash balances held with brokers, receivables and payables from unsettled trades, margin borrowings, and collateral on derivative transactions. Amounts due from brokers may be restricted to the extent that they serve as deposits for securities sold short, collateral pledged for OTC derivative contracts, and initial and variation margin related to futures contracts. In addition, margin borrowings are generally collateralized by certain securities and cash balances held by the Company. The Company is subject to interest on margin accounts based on the interest rate charged by the broker, amount of cash being borrowed and the number of days the amount is lent to the Company.

As of December 31, 2022, due from/to brokers includes the following:

Receivables related to unsettled trades	\$ 48,795,649
Payables related to unsettled trades	(43,110,883)
Collateral pledged to counterparties to OTC derivative contracts	1,714,580
Collateral received from counterparties to OTC derivative contracts	(12,107)
Initial and variation margin related to its futures trading activities	769,840
Margin borrowings	(51,201,606)
Restricted cash – deposits for securities sold short	55,249,483
Unrestricted cash	4,701,916
	<u>\$ 16,906,872</u>

Statement of Assets and Liabilities

Due from brokers	\$ 17,725,619
Due to brokers	(818,747)
	<u>\$ 16,906,872</u>

In the normal course of business, substantially all of the Company's securities transactions, money balances, and security positions are transacted with the Company's brokers, including Bank of America, Barclays Capital, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman Sachs & Co., JP Morgan, Morgan Stanley, and UBS Securities LLC. The Company is subject to credit risk to the extent any broker with whom it conducts business is unable to fulfill contractual obligations on its behalf. The Company monitors the financial condition of such brokers and does not anticipate any losses from these counterparties.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts

In the normal course of business, the Company utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Company's derivative activities and exposure to derivative contracts are classified by the following primary underlying risks: interest rate, credit, foreign currency exchange rate, commodity price, and equity price risks. In addition to its primary underlying risks, the Company is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contracts.

Forward Contracts

The Company may enter into forward contracts to hedge itself against foreign currency exchange rate risk for its foreign currency denominated assets and liabilities due to adverse foreign currency fluctuations against the U.S. dollar, to manage the price risk associated with its commodity portfolio positions and to gain exposure to certain currencies as part of its trading strategy.

Forward currency and commodity transactions are contracts or agreements for delayed delivery of specific currencies and commodities in which the seller agrees to make delivery at a specified future date of specified currencies and commodities. Risks associated with forward currency and commodity contracts are the inability of counterparties to meet the terms of their respective contracts and movements in fair value and exchange rates.

Futures Contracts

The Company may use futures contracts to gain exposure to, or hedge against, changes in the value of equities and commodities, interest rates, or foreign currencies. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sale of futures contracts requires margin deposits with a Futures Commission Merchant ("FCM") equal to a certain percentage of the contract amount. Subsequent payments (variation margin) are made or received by the Company each day, depending on the daily fluctuations in the value of the contract. The Company recognizes a gain or loss equal to the daily variation margin. Futures contracts may reduce the Company's exposure to counterparty risk since futures contracts are exchange-traded, and the exchange's clearinghouse, as the counterparty to all exchange-traded futures; guarantees the futures against default.

The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Company's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total of cash and other equity deposited.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts (continued)

Swap Contracts

The Company enters into various swap contracts (or "swaps"), including interest rate swaps, total return swaps, and credit default swaps, as part of its investment strategies, to hedge against unfavorable changes in the value of investments and to protect against adverse movements in interest rates or credit performance with counterparties. Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

Swap agreements may also be centrally cleared through a clearinghouse, where initial margins are posted, and daily changes in the fair value are recorded as a payable or receivable in the Consolidated Statement of Financial Condition as variation margin on derivative contracts and settled daily.

During the term of the swap contract, changes in value are recognized as unrealized gains or losses by marking the contracts at fair value. Additionally, the Company records a realized gain (loss) when a swap contract is terminated and when periodic payments are received or made at the end of each measurement period. In addition to realized gains (losses) and the change in unrealized gains (losses), periodic interest expense and/or income is also reflected in net gain (loss) on investments, derivatives and foreign currency in the Consolidated Statement of Operations.

The fair value of open swaps reported in the Consolidated Statement of Financial Condition may differ from that which would be realized in the event the Company terminated its position in the contract. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of counterparty is generally limited to the aggregate fair value of swap contracts in an unrealized gain position as well as any collateral posted with the counterparty. The risk may be mitigated by having a master netting arrangement between the Company and the counterparty and by the posting of collateral by the counterparty to the Company to cover the Company's exposure to the counterparty. Therefore, the Company considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in the fair value of the underlying investments.

Interest Rate Swaps/Swaptions

The Company is exposed to interest rate risk when there is an unfavorable change in the value of investments as a result of adverse movements in the market interest rates. The Company enters into interest rate swaps/swaptions contracts to protect against such adverse movements in interest rates and to gain interest rate exposure as part of its investment strategy.

Interest rate swaps/swaptions are contracts whereby counterparties exchange different rates of interest on a specified notional amount for a specified period of time. The payment flows are usually netted against each other, with the difference being paid by one party to the other. The Company swaptions contracts are scheduled to terminate in 2023. The Company did not hold interest rate swaps as of December 31, 2022.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts (continued)

Total Return Swaps

The Company is subject to equity price risk in the normal course of pursuing its investment objectives. The Company may enter into total return swaps either to manage its exposure to the market or certain sectors of the market, or to create exposure to certain equities to which it is otherwise not exposed.

Total return swap contracts involve the exchange by the Company and a counterparty of their respective commitments to pay or receive a net amount based on the change in the fair value of a particular security or index and a specified notional amount. The Company's total return swap contracts are scheduled to terminate from 2023 through 2027.

Credit Default Swaps

The Company is subject to credit risk in the normal course of pursuing its investment objectives. The Company may enter into credit default swaps to manage its exposure to the market or certain sectors of the market, to reduce its risk exposure to defaults of corporate and sovereign issuers, or to create exposure to corporate or sovereign issuers to which it is not otherwise exposed.

Credit default swap contracts involve an arrangement between the Company and a counterparty which allows the Company to protect against losses incurred as a result of default by a specified reference entity. Generally, the Company pays a premium upfront and the counterparty agrees to make a payment to compensate the Company for losses upon the occurrence of a specified credit event ("protection purchased").

Alternatively, when the Company sells a credit default swap ("protection written"), it receives premium payments in exchange for assuming the credit risk of the specified reference entity. Generally, the counterparty pays or receives a premium up front and continues to pay periodic interest payments while the Company agrees to make a payment to compensate the counterparty for losses upon the occurrence of a specified credit event.

Although contract-specific, credit events generally include bankruptcy, failure to pay, restructuring, obligation acceleration, obligation default, or repudiation/moratorium. Upon the occurrence of a defined credit event, the difference between the value of the reference obligation and the swap's notional amount is recorded net gain (loss) on investments, derivatives and foreign currency in the Consolidated Statement of Operations.

As of December 31, 2022, the Company had no credit default swaps outstanding.

Options

The Company is subject to equity, interest rate, commodity price risk, and foreign currency exchange rate risk in the normal course of pursuing its investment objectives. The Company may enter into options to speculate on the price movements of the financial instrument, commodity, or currency underlying the option, or for use as an economic hedge against certain equity positions held in the Company's portfolio holdings. Option contracts purchased give the Company the right, but not the obligation, to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts (continued)

Options (continued)

Options written obligate the Company to buy or sell within a limited time, a financial instrument, commodity or currency at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. When the Company writes an option, an amount equal to the premium received by the Company is recorded as a liability and is subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by the Company on the expiration date as realized gains from derivatives. The difference between the premium and the amount paid to settle the exercise of the option is also treated as realized gain, or if the premium is less than the amount paid, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Company has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Company. Options written by the Company may expose the Company to market risk of an unfavorable change in the financial instrument underlying the written option.

For some OTC options, the Company is exposed to counterparty risk from the potential that a seller of an option contract does not sell or purchase the underlying asset as agreed under the terms of the option contract. The maximum risk of loss from counterparty risk to the Company is the fair value of the contracts and the premiums paid to purchase its open option contracts. In these instances, the Company considers the credit risk of the intermediary counterparty to its option transactions in evaluating potential credit risk.

Warrants/Rights

The Company may purchase warrants or rights in the normal course of pursuing its investment objectives or may receive warrants or rights from its portfolio companies upon an investment in the debt or equity of a portfolio company. The warrants or rights provide the Company with exposure and potential gains upon equity appreciation of the portfolio company's share price.

The value of a warrant or a right has two components: time value and intrinsic value. A warrant or a right has a limited life and expires on a certain date. As time to the expiration date of a warrant or right approaches, the time value of a warrant or a right will decline. In addition, if the stock underlying the warrant or the right declines in price, the intrinsic value of an "in the money" warrant or right will decline. Further, if the price of the stock underlying the warrant or the right does not exceed the strike price of the warrant or the right on the expiration date, the warrant or the right will expire worthless. As a result, there is the potential for the Company to lose its entire investment in a warrant or a right.

The Company is exposed to counterparty risk from the potential failure of an issuer of warrants or rights to settle its exercised warrants or rights. The maximum risk of loss from counterparty risk to the Company is the fair value of the contracts and the purchase price of the warrants or the rights. The Company considers the effects of counterparty risk when determining the fair value of its investments in warrants or in rights.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts (continued)

Credit-Risk-Related Contingent Features

The Company's OTC derivative contracts are subject to International Swaps and Derivatives Association ("ISDA") Master Agreements which contain certain covenants and other provisions that may, if violated, require the Company to post collateral on derivatives if the Company is in a net liability position with its counterparties exceeding certain amounts.

Additionally, counterparties may immediately terminate these agreements and the related derivative contracts if the Company fails to maintain sufficient asset coverage for its contracts or its net assets decline by stated percentages or amounts. As of December 31, 2022, the fair values of these derivative contracts were indicative of their termination values and there were no termination events.

As of December 31, 2022, there were no derivative instruments with credit-risk-related contingent features that are in a liability position. The Company has posted approximately \$1,715,000 as collateral for all OTC derivative instruments in the normal course of business. If the credit-risk-related contingent features underlying these agreements were triggered as of December 31, 2022, the Company would not have been required to post additional collateral.

Volume of Derivative Activities

The Company considers the average quarter-end notional amounts during the year to be an accurate representation of the volume of derivative activities during the year ended December 31, 2022. For the year ended December 31, 2022, the average volume of the Company's derivative activities based on their average quarter-end notional amounts, categorized by primary underlying risk, are as follows:

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts (continued)

Volume of Derivative Activities (continued)

Primary underlying risk	Long exposure Notional amounts	Short exposure Notional amounts
Interest rate*		
Call options**	\$ 165,917	\$ 91,440
Futures contracts	1,863,090	4,718,536
Put options**	148,000	205,659
Swaptions	6,521,401	8,019,681
	<u>8,698,408</u>	<u>13,035,316</u>
Foreign currency exchange rate		
Call options**	6,160,193	5,140,468
Forward contracts	63,861,046	63,861,271
Futures contracts	22,417	-
Put options**	2,565,906	2,709,211
	<u>72,609,562</u>	<u>71,710,950</u>
Equity price		
Call options**	1,943,253	3,222,187
Futures contracts	7,851,764	336,924
Put options**	1,561,936	1,199,081
Total return swaps	10,482,183	15,157,308
Warrants/Rights	67,876	-
	<u>21,907,012</u>	<u>19,915,500</u>
Commodity price		
Call options**	1,399,536	798,493
Futures contracts	12,686,783	14,864,554
Put options**	80,101	41,551
	<u>14,166,420</u>	<u>15,704,598</u>
Credit*		
Put options**	13,995	56,246
	<u>13,995</u>	<u>56,246</u>
	<u>\$ 117,395,397</u>	<u>\$ 120,422,610</u>

* Interest rate and credit products are reported using 10-year bond equivalent notional exposure.

** The option notional amounts presented above represent delta adjusted notional, which correlate price changes in each underlying security to price changes in each option.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Derivative contracts (continued)

Impact of Derivatives on the Consolidated Statement of Financial Condition and Consolidated Statement of Operations

The following table identifies the fair value amounts of derivative contracts included in the Consolidated Statement of Financial Condition, categorized by primary underlying risk, as of December 31, 2022. Balances are presented on a gross basis, prior to the application of the impact of counterparty and collateral netting. The following table also identifies the net gain and loss amounts included in the Consolidated Statement of Operations as net gain (loss) on investments, derivatives and foreign currency categorized by primary underlying risk, for the year ended December 31, 2022.

Primary underlying risk	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain (loss)
Interest rate				
Call options	\$ -	\$ -	\$ (45,862)	\$ -
Futures contracts	12,947	15,782	796,838	18,227
Interest rate swaps	-	-	(126,686)	-
Put options	-	-	(1,144)	-
Swaptions	661,715	210,320	398,613	384,273
	<u>674,662</u>	<u>226,102</u>	<u>1,021,759</u>	<u>402,500</u>
Foreign currency exchange rate				
Call options	20,570	9,061	(71,141)	70,835
Forward contracts	59	981	218,641	58,023
Futures contracts	-	-	(6,065)	-
Put options	19,907	-	53,910	28,225
	<u>40,536</u>	<u>10,042</u>	<u>195,345</u>	<u>157,083</u>
Equity price				
Call options	32,890	457,445	5,846,900	269,670
Futures contracts	-	-	791,937	2,805
Put options	80,137	464,111	16,794,388	46,200
Total return swaps	167,264	196,317	4,558,400	(1,221,999)
Warrants/Rights	87	-	(222,312)	150,025
	<u>280,378</u>	<u>1,117,873</u>	<u>27,769,313</u>	<u>(753,299)</u>
Commodity price				
Call options	4,575	3,529	(55,240)	23,966
Futures contracts	63,641	376,306	594,193	(712,793)
Put options	730	-	8,266	805
	<u>68,946</u>	<u>379,835</u>	<u>547,219</u>	<u>(688,022)</u>
Credit				
Call options	-	-	6,513	-
Put options	-	-	10,402	161
	<u>-</u>	<u>-</u>	<u>16,915</u>	<u>161</u>
Total	<u>\$ 1,064,522</u>	<u>\$ 1,733,852</u>	<u>\$ 29,550,551</u>	<u>\$ (881,577)</u>

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Aircraft, property and equipment

Balances of major classes of fixed assets and accumulated depreciation and amortization for the year ended December 31, 2022 are as follows:

Aircraft	\$	2,482,254
Furniture and equipment		2,574,457
Computer software		268,425
Automobiles		90,163
Leasehold improvements		816,139
		<u>6,231,438</u>
Less: accumulated depreciation and amortization		3,534,804
Net aircraft, property and equipment	\$	<u>2,696,634</u>

Depreciation and amortization expenses were \$759,304 for the year ended December 31, 2022.

6. Securities sold short

The Company is subject to certain inherent risks arising from its investing activities of selling securities short. The ultimate cost to the Company to acquire these securities may exceed the liability reflected in these consolidated financial statements. The Company is not exposed to this risk to the extent it holds offsetting long positions which have a fair value of approximately \$52,000 as of December 31, 2022.

7. Risk and uncertainties

London Inter-Bank Offered Rates ("LIBOR")

The expected discontinuation of LIBOR could have a significant impact on our business. We anticipate operational challenges for the transition away from LIBOR. Beyond these challenges, we anticipate there may be additional risks to our current processes and information systems that will need to be identified and evaluated by us. Due to the uncertainty of the replacement for LIBOR, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined. In addition, any further changes or reforms to the determination or supervision of LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR, which could have an adverse impact on the market value for or value of any LIBOR-linked securities, derivatives loans, and other financial obligations could have a material adverse effect on our business, financial condition and results of operations.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Risk and uncertainties (continued)

Coronavirus ("COVID-19") Pandemic

Since the start of January 2022, the outbreak of COVID-19 has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. Management does not believe there is any financial impact to the consolidated financial statements as of December 31, 2022 as a result of this event.

Concentrations of Credit Risk

In the normal course of business, the Company maintains its cash balances in financial institutions, which at times may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

Counterparty Risk

The Company is subject to credit risk with respect to the counterparties to its derivatives contracts (whether a clearing corporation in the case of exchange-traded instruments or its hedge counterparty in the case of OTC instruments) purchased by the Company. Counterparty risk is the risk that the other party in a derivative transaction will not fulfill its contractual obligation. Changes in the credit quality of the companies that serve as the Company's counterparties with respect to their derivative transactions will affect the value of those instruments. By entering into derivatives, the Company assumes the risks that the counterparties to these transactions could experience financial or other hardships that could call into question their continued ability to perform their obligations. In the case of a default by the counterparty, the Company could become subject to adverse market movements while replacement transactions are executed. The ability of the Company to transact business with any one or number of counterparties, the possible lack of a meaningful and independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Company. Furthermore, concentration of derivatives in any particular counterparty would subject the Company to an additional degree of risk with respect to defaults by such counterparty.

The Adviser evaluates and monitors the creditworthiness of counterparties in order to ensure that such counterparties can perform their obligations under the relevant agreements. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial or other difficulties, the Company may experience significant delays in obtaining any recovery under the derivative contract in a dissolution, assignment for the benefit of creditors, liquidation, winding-up, bankruptcy or other analogous proceedings. In addition, in the event of the insolvency of a counterparty to a derivative transaction, the derivative contract would typically be terminated at its fair market value. If the Company is owed this fair market value upon the termination of the derivative contract and its claim is unsecured, the Company will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying assets. The Company may obtain only a limited recovery or may obtain no recovery at all in such circumstances.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Risk and uncertainties (continued)

Counterparty Risk (continued)

Certain categories of interest rate and credit default swaps are subject to mandatory clearing, and more categories may be subject to mandatory clearing in the future. The counterparty risk for cleared derivatives is generally lower than for uncleared OTC derivative transactions because generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties' performance under the contract as each party to a trade looks only to the clearing house for performance of financial obligations. However, there can be no assurance that a clearing house, or its members, will satisfy the clearing house's obligations (including, but not limited to, financial obligations and legal obligations to segregate margins collected by the clearing house) to the Company. Counterparty risk with respect to certain exchange-traded and over-the-counter derivatives may be further complicated by recently enacted U.S. financial reform legislation.

Cybersecurity Risk

Technology, such as the internet, has become more prevalent in the course of business, and as such, the Company and its service providers are susceptible to operational and information security risk resulting from cyber incidents. Cyber incidents refer to both intentional attacks and unintentional events including: processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through "hacking" or malicious software coding), computer viruses, and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). Cyber incidents could adversely impact the Company and cause the Company to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. Cyber incidents may cause the Company or its service providers to lose proprietary information, suffer data corruption, lose operational capacity or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber incidents also may result in theft, unauthorized monitoring and failures in the physical infrastructure or operating systems that support the Company and its service providers. In addition, substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Company's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Company cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect the Company.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Risk and uncertainties (continued)

Global Economic Risk

National and regional economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country, region or market might adversely impact issuers in a different country, region or market. Changes in legal, political, regulatory, tax and economic conditions may cause fluctuations in markets and prices of investments around the world, which could negatively impact the value of the Company's investments. Major economic or political disruptions, particularly in large economies like China's, may have global negative economic and market repercussions. Additionally, the aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya, Syria, Russia, Ukraine and the Middle East, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies, possible terrorist attacks in the United States and around the world, continued tensions between North Korea and the United States and the international community generally, growing social and political discord in the United States, the European debt crisis, the response of the international community—through economic sanctions and otherwise—to Russia's annexation of the Crimea region of Ukraine and posture vis-a-vis Ukraine, further downgrade of U.S. Government securities, the change in the U.S. president and the new administration and other similar events may adversely affect the global economy and the markets and issuers in which the Company invests. Recent examples of such events include the outbreak of a novel coronavirus known as COVID-19 that was first detected in China in December 2019 and heightened concerns regarding North Korea's nuclear weapons and long-range ballistic missile programs.

These events could reduce consumer demand or economic output, result in market closure, travel restrictions or quarantines, and generally have a significant impact on the economy. These events could also impair the information technology and other operational systems upon which the Company's service providers, including Weiss Multi-Strategy Advisers LLC, rely, and could otherwise disrupt the ability of employees of the Company's service providers to perform essential tasks on behalf of the Company.

Governmental and quasi-governmental authorities and regulators throughout the world have in the past responded to major economic disruptions with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs and dramatically lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could increase volatility in securities markets, which could adversely affect the Company's investments.

8. Repurchase agreements and reverse repurchase agreements

Transactions involving repurchase agreements and reverse repurchase agreements are treated as collateralized financial transactions, and are recorded at their contracted resell or repurchase amounts. In addition, interest on both types of transactions is included in interest receivable and interest payable, respectively.

In connection with repurchase agreements, it is the Company's policy that its custodian takes possession of the underlying collateral securities, the fair value of which generally exceeds the principal amount of the repurchase agreements, including accrued interest. If the counterparty defaults under agreements to repurchase, and the fair value of the collateral declines, the realization of the collateral by the Company may be delayed or limited.

As of December 31, 2022, the Company had no repurchase agreements or reverse repurchase agreements outstanding.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Securities lending agreements

The Company has entered into a securities lending agreement with Citigroup Global Markets Inc. (the "Custodian"). Under the terms of the agreement, the Company receives income, recorded daily, after deduction of other amounts payable to the Custodian or to the borrower from lending transactions.

In exchange for such fees, the Custodian is authorized to loan securities on behalf of the Company, against receipt of collateral at no less than 100% of the value of the securities loaned. The Company bears the risk of any deficiency in the amount of collateral available for return to a borrower due to a loss in that collateral. Information regarding the value of the securities loaned and the value of the collateral at period end is included in the Company's Consolidated Statement of Financial Condition. Although risk is mitigated by the collateral, the Company could experience a delay in recovering its securities and a possible loss of income or value if the borrower fails to return the securities when due. The Company may also record realized gain or loss on securities deemed sold due to a borrower's inability to return securities on loan.

As of December 31, 2022, the Company had no securities on loan, and did not hold collateral at the Custodian.

10. Offsetting assets and liabilities

The Company is required to disclose the impact of offsetting assets and liabilities represented in the Consolidated Statement of Financial Condition to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: each of the parties owes the other determinable amounts, the Company has the right to set off the amounts owed with the amounts owed by the other party, the Company intends to set off, and the Company's right of setoff is enforceable at law.

As of December 31, 2022, the Company holds financial instruments and derivative instruments that are eligible for offset in the Consolidated Statement of Financial Condition and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net any collateral held on behalf of the Company or liabilities or payment obligations of the counterparty against any liabilities or payment obligations of the Company to the counterparty.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. Offsetting assets and liabilities (continued)

The following tables present information on derivative assets and liabilities and repurchase agreements and reverse repurchase agreements (before and after netting adjustments) at December 31, 2022:

Assets	Gross Amounts of Recognized Assets Presented in the Statement of Assets and Liabilities	Gross Amounts Not Offset in the Statement of Assets and Liabilities		Net Amount
		Financial Instruments	Cash or Financial Collateral Received ***	
Derivative contracts *				
Counterparty B	\$ 112,822	\$ (53,909)	\$ -	\$ 58,913
Counterparty C	59	(59)	-	-
Counterparty D	81,163	(81,163)	-	-
Counterparty E	148,563	(118,541)	-	30,022
Counterparty F	20,570	(9,061)	-	11,509
Counterparty G	538,281	(156,411)	-	381,870
Counterparty K	12,366	-	(3,937)	8,429
Counterparty Q	51,632	-	(8,895)	42,737
Counterparty T	16,308	(16,308)	-	-
	<u>\$ 981,764</u>	<u>\$ (435,452)</u>	<u>\$ (12,832)</u>	<u>\$ 533,480</u>
Liabilities	Gross Amounts of Recognized Liabilities Presented in the Statement of Assets and Liabilities	Gross Amounts Not Offset in the Statement of Assets and Liabilities		Net Amount
		Financial Instruments	Cash or Financial Collateral Pledged ***	
Derivative contracts **				
Counterparty B	\$ (53,909)	\$ 53,909	\$ -	\$ -
Counterparty C	(981)	59	-	(922)
Counterparty D	(395,617)	81,163	314,454	-
Counterparty E	(118,541)	118,541	-	-
Counterparty F	(9,061)	9,061	-	-
Counterparty G	(156,411)	156,411	-	-
Counterparty K	-	-	-	-
Counterparty Q	-	-	-	-
Counterparty T	(77,777)	16,308	-	(61,469)
	<u>\$ (812,297)</u>	<u>\$ 435,452</u>	<u>\$ 314,454</u>	<u>\$ (62,391)</u>

* Derivative assets excludes exchange-traded options and warrants of approximately \$83,000 and \$0, respectively, which are not subject to master netting arrangements.

** Derivative liabilities excludes exchange-traded options of approximately \$922,000 which are not subject to master netting arrangements.

*** The Company pledged excess collateral of approximately \$2,279,000 which is not presented in the table above.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Note payable

On December 3, 2019, the Company entered into a Note Purchase Agreement with a third party who the Company has entered into a Strategic Relationship with as noted in Note 1. Under the terms of the Note Purchase Agreement, the third party provided a prepaid derivative financial contract in two notes. A total of \$31.25 million was funded on December 3, 2019 and \$18.75 million was funded on January 13, 2020. Interest on these loans are capitalized as loan principal. The notes mature on December 3, 2024 and January 13, 2025, respectively. The interest payable on the loan equals the incremental amount of profit the third party's separate account would have generated had an additional \$50 million been invested in third party's separately managed account at the time the notes were issued, as measured on the maturity date of the notes. The third party will have the right exercise a Trigger Redemption and redeem the notes, in whole but not in part, any time following the occurrence of members equity being equal to or less than \$10 million, calculated as if the notes had been redeemed in full.

On September 21, 2022, the Company entered into an additional \$3 million Note Purchase Agreement that matures on September 21, 2029. Interest accrues at an annual rate of Prime Rate plus 2%, compounded monthly.

Year ending December 31, 2022

Principal borrowed on 12/3/2019	31,250,000
Principal borrowed on 1/13/2020	18,750,000
Principal borrowed on 9/21/2022	3,000,000
Less: LTD principal payment	(20,000,000)
Interest LTD	15,121,052
	<u>48,121,052</u>

12. Related party transactions

WMSA provides investment management services to MSP and receives management fees and incentive fees for services. Management fees and incentive fees amounted to \$12,158,854 for the year ended December 31, 2022, of which \$2,722,324 was due to WMSA at December 31, 2022.

WMSA provides investment management services to WIP and receives management fees and incentive fees for services. Management fees and incentive fees amounted to \$2,724,821 for the year ended December 31, 2022, of which \$486,566 was due to WMSA at December 31, 2022.

WMSA provides investment management services to WSI and receives management fees and incentive fees for services. Management fees and incentive fees amounted to \$10,389,453 for the year ended December 31, 2022, of which \$303,851 was due to WMSA at December 31, 2022.

WMSA provides investment management services to WRP and receives management fees and incentive fees for services. Management fees and incentive fees amounted to \$625,886 for the year ended December 31, 2022, of which \$625,886 was due to WMSA at December 31, 2022.

WMSA provides investment management services to WEG and receives management fees and incentive fees for services. Management fees and incentive fees amounted to \$1,742,158 for the year ended December 31, 2022, of which \$473,219 was due to WMSA at December 31, 2022.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. Related party transactions (continued)

WMSA provided investment management services to WAMS and received management fees for services. Management fees amounted to \$4,011,908 for the year ended December 31, 2022, of which \$199,743 was due to WMSA at December 31, 2022.

WMSF has an expense sharing agreement with certain of its affiliates that include WMSA, WSO and GWA whereby said affiliates pay certain expenses on WMSF's behalf that are reimbursed by WMSF on a monthly basis. For the year ended December 31, 2022, amounts charged for expense sharing totaled approximately \$839,000. WMSF also reimbursed certain related parties approximately \$25,300 for expenses paid on its behalf. Amounts due to related companies as of December 31, 2022 were approximately \$76,000.

WMSA and WMSF entered into an exclusive marketing agreement with respect to pooled investment vehicles advised by WMSA. Under the terms of the agreement, WMSF agrees not to offer or provide marketing and placement services to any investment company or to any issuer of pooled investment vehicles that are not advised by WMSA. WMSA agreed to pay WMSF an Exclusivity Fee of \$1,000,000 for calendar year 2022.

OGI considers WMSA, their principal owners, members of management, and members of their immediate families, and entities under common control to be related parties to OGI. Amounts due from and due to related parties are generally settled in the normal course of business without formal payment terms.

OGI is receiving back office administrative services and investment advisory services from WMSA. The services are being provided at no cost. OGI and WMSA share common ownership.

In September 2022, the Company entered into a Note Purchase Agreement with a related party for \$3 million. The Note will mature on September 21, 2029, subject to Optional Redemption by the related party or the Company and Trigger Redemption by the Company should conditions warrant.

WMSA generally allocates investments between OGI and other entities for which it serves as the investment manager on a pro rata basis based on assets under management.

As of December 31, 2022, the Company had pledged cash amounts of \$575,776 as letters of credit in favor of the lessor of space leased by WMSA. These interest-bearing amounts are included in cash - restricted on the Consolidated Statement of Financial Condition.

13. Profit-sharing plan

The Company's employees participate in the defined contribution profit sharing plan sponsored by the Company. The plan, pursuant to Section 401(k) of the Internal Revenue Code ("IRC") covers all eligible employees as defined by the plan. The Company is obligated, under the safe harbor provision of the plan, to make a mandatory contribution of 3% of an employee's eligible salary to the plan for each year for each eligible employee. Employees are immediately vested in the safe harbor contributions made on their behalf. The Company, at its discretion, may make additional contributions, up to 12% of an eligible employee's eligible salary, to the plan each year.

For the year ended December 31, 2022, the Company made contributions, of \$778,020 related to the safe harbor requirement. The Company did not make any other contributions to the plan during 2022.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. Net capital requirement

WMSF, as a member of FINRA, is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1 (the Rule). This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn, or cash dividends paid if certain net capital requirements are not met. At December 31, 2022, WMSF's net capital was \$4,723,867 which was \$4,714,051 in excess of its minimum requirement of \$9,816.

15. Exemption from Rule 17 C.F.R. § 240.17a-5

WMSF does not carry customer accounts and does not claim an exemption under paragraph (k) of 17 C.F.R. §240.15c3-3. WMSF is relying on footnote 74 of SEC Release No. 34-70073 adopting amendments to 17 C.F.R. §240.17a-5 because WMSF limits its business activities exclusively to providing marketing services related to private placement of securities and as a mutual fund retailer.

16. Commitments and contingencies

Legal

The Company is from time to time subject to legal and regulatory proceedings in the normal course of business. In the opinion of management, after consultation with legal counsel, the Company does not believe that any current proceedings will have an adverse effect on the Company's financial condition or Consolidated Statement of Operations.

Leases

The Company has entered into operating leases for office facilities which expire through May 2030. Effective January 1, 2021, the Company surrendered a portion of leased space for a \$5.6 million termination fee payable in installments until November 2027. The Hartford, CT lease expired on December 31, 2022 and was not renewed. The Company entered into a new lease in Rocky Hill, CT that expires in May 2030.

Aggregate future minimum annual rental payments under these operating leases in the years subsequent to December 31, 2022 are as follows:

Year ending December 31, 2022

2023	3,268,245
2024	3,219,772
2025	3,197,255
2026	3,162,113
2027	1,478,304
Thereafter	631,618
	<u>\$ 14,957,307</u>

For the year ended December 31, 2022, rent and related expenses were \$4,164,561 in the Consolidated Statement of Operations.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Commitments and contingencies (continued)

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), and issued amendments ASU 2018-01, ASU 2018-10 ASU 2018-11, ASU 2018-20 and ASU 2019-01 all of which supersedes FASB ASC Topic 840, Leases, and makes other conforming amendments to U.S. generally accepted accounting principles. This ASU requires, along with other changes to the lease accounting guidance, that lessees recognize most leases on the balance sheet as a right-of-use asset with a corresponding lease liability, and with additional qualitative and quantitative disclosures. The FASB requires private entities apply the ASU for fiscal year's beginning after December 15, 2021, with early adoption permitted. GWA adopted and implemented the pronouncement in 2022.

OGI may from time to time be subject to legal or regulatory proceedings in the normal course of business. In the opinion of management, after consultation with legal counsel, OGI does not believe it is subject to any proceedings that will have an adverse effect on their statement of financial condition or statement of operations.

17. Financial highlights

Financial highlights for OGI for the year ended December 31, 2022 are as follows:

Total return	(5.6) %
Ratio to average member's equity:	
Expenses (including interest and dividends)	10.5 %
Net investment income (loss)	(1.1) %

Total return is determined using a time-weighted rate of return methodology in which monthly rates of return are geometrically linked. Total return is calculated net of all investment-related and operating expenses.

Expense ratios are determined by dividing the total investment-related and operating expenses by the average of monthly member's capital balances during the year.

The net investment loss ratio is calculated by dividing the net investment income (loss) by the average of monthly member's capital balances during the year.

18. Subsequent Events

From January 1, 2023 through August 28, 2023, redemptions from OGI totaled \$19,850,000; subscriptions to GWA totaled \$14,700,000.

On February 15, 2023, WMSF transferred \$4 million in excess cash to GWA. WMSF complied with SEA Rule 15c3-1 requirements and has substantiated that it had sufficient excess net capital for this transaction.

In March 2023, WSO sold its aircraft and recognized a gain on the sale of approximately \$941,000.

GWA, LLC AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. Subsequent Events (continued)

In 2023, the Company entered into a series of Convertible Note Purchase Agreements ("Notes") with certain members of GWA. The Notes are convertible to Class A Interests of the Company at the option of the purchaser and mature 120 months following issuance. To date, a total of approximately \$7.1 million in notes have been issued at a rate of 11% per annum.

The Company is operating at a loss and has negative equity. The Company has sufficient funds to meet its financial obligations for one year after the date the financial statements are issued. On July 25, 2023, The Company entered into a Forbearance Letter Agreement with a third party to pay down the note from available cash flows at the Company's sole option. In return, the third party agreed not to exercise its right to affect a Trigger Redemption prior to September 1, 2024. In addition, the Company has implemented business plans to reduce operating costs, increase revenues and improve operating cash flows.

A former employee has filed a claim related to the firm's retirement plan. The complaint alleges that George Weiss, as trustee of the Plan, breached his fiduciary duties under ERISA (Employee Retirement Income Security Act of 1974) by investing all of the plan's assets in affiliated investment funds. Management strongly believes that these allegations are baseless and without merit.

These financial statements were approved by management and available for issuance on August 28, 2023. Subsequent events have been evaluated through this date.

GWA. LLC AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS

December 31, 2022			
	Principal Amount/ Shares	Percentage of Member's Equity	Fair Value
Investments in securities, at fair value			
Common stocks			
Basic Materials		(2.2) %	\$ 1,421,937
Communications		(9.2)	5,855,574
Consumer, Cyclical		(6.1)	3,882,977
Consumer, Non-cyclical		(21.8)	13,910,668
Energy		(11.7)	7,485,826
Financial		(32.6)	20,814,311
Industrial			
Ardagh Metal Packaging SA	1,056,774	(8.0)	5,083,083
Other		(7.4)	4,714,464
Technology		(17.2)	11,013,406
Utilities		(0.1)	76,939
Total common stocks (cost \$82,024,546)		(116.3)	74,259,185
Exchange traded funds			
Funds		(4.1)	2,617,116
Total exchange traded funds (cost \$2,671,888)		(4.1)	2,617,116
Debt securities			
Corporate bonds			
Energy		0.0	14,651
Financial			
Banco Espirito Santo SA, 2.625%, 05/08/17	€ 13,100,000	(4.3)	2,724,502
Banco Espirito Santo SA, 4.750%, 01/15/18	€ 11,900,000	(4.1)	2,597,620
Total corporate bonds (cost \$16,865,690)		(8.4)	5,336,773
Total debt securities (cost \$16,865,690)		(8.4)	5,336,773
Total investments in securities, at fair value (cost \$101,562,124)		(128.8) %	\$ 82,213,074

GWA, LLC AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2022

	Number of Contracts	Percentage of Member's Equity	Fair Value
Derivative contracts-assets, at fair value			
Call options			
Other (cost \$97,510)		(0.1) %	\$ 58,035
Forward contracts			
Other		-	59
Futures contracts			
Other		(0.1)	76,588
Put options			
Other (cost \$105,239)		(0.2)	100,774
Swaptions			
Other (cost \$106,202)		(0.9)	661,715
Total return swaps			
Other		(0.3)	167,264
Warrants/Rights			
Other (cost \$1,855)		-	87
Total derivative contracts-assets, at fair value (cost \$310,806)		(1.6) %	\$ 1,064,522

GWA. LLC AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2022

	Principal Amount/ Shares	Percentage of Member's Equity	Fair Value
Securities sold short, at fair value			
Common stocks			
Basic Materials		(1.7) %	\$ 1,073,205
Communications		(1.2)	782,745
Consumer, Cyclical		(3.8)	2,422,218
Consumer, Non-cyclical		(10.7)	6,865,530
Energy		(7.5)	4,779,195
Financial		(26.0)	16,601,985
Industrial		(7.0)	4,450,330
Technology		(5.7)	3,629,653
Total common stocks (proceeds \$41,047,148)		<u>(63.6)</u>	<u>40,604,861</u>
Exchange traded funds			
Funds			
Invesco QQQ Trust Series	9,229	(3.8)	2,457,498
SPDR S&P 500 ETF Trust	11,803	(7.0)	4,513,821
Other		(16.6)	10,652,296
Total exchange traded funds (proceeds \$18,147,545)		<u>(27.4)</u>	<u>17,623,615</u>
Debt securities			
Government bonds			
US Treasury, 4.000%, 12/15/25	\$ 4,400,000	(6.9)	4,377,141
Total government bonds (proceeds \$4,371,125)		<u>(6.9)</u>	<u>4,377,141</u>
Total debt securities (proceeds \$4,371,125)		<u>(6.9)</u>	<u>4,377,141</u>
Total securities sold short, at fair value (proceeds \$63,565,818)		<u>(97.9) %</u>	<u>\$ 62,605,617</u>

GWA. LLC AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2022

	Number of Contracts	Percentage of Member's Equity	Fair Value
Derivative contracts-liabilities, at fair value			
Call options			
Other (proceeds \$602,625)		(0.7) %	\$ 470,035
Forward contracts			
Other		-	981
Futures contracts			
Other		(0.6)	392,088
Put options			
Funds			
Invesco QQQ Trust Series, 310.0, 02/17/23	6	-	25,911
SPDR S&P 500 ETF Trust, 350.0, 01/20/23	18	-	1,107
SPDR S&P 500 ETF Trust, 425.0, 01/20/23	4	-	16,796
SPDR S&P 500 ETF Trust, 348.0, 02/17/23	26	-	5,837
Other		(0.6)	414,460
Total put options (proceeds \$524,332)		(0.6)	464,111
Swaptions			
Other (proceeds \$34,150)		(0.3)	210,320
Total return swaps			
Other		(0.3)	196,317
Total derivative contracts-liabilities, at fair value (proceeds \$1,161,107)		(2.5) %	\$ 1,733,852

GWA, LLC AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2022

**Percentage of
Member's Equity**

**Fair
Value**

The geographical categorization by country of issuer is as follows:

Investments in securities, at fair value

Australia (cost \$264,669)	(0.4) %	\$ 285,867
Bermuda (cost \$1,791,527)	(2.4)	1,519,644
Canada (cost \$2,750,665)	(2.3)	1,448,055
Cayman Islands (cost \$502,605)	(0.8)	541,261
Curacao (cost \$115,302)	(0.2)	108,898
France (cost \$145,560)	(0.2)	146,853
Germany (cost \$253,806)	(0.4)	277,535
Great Britain (cost \$788,977)	(1.4)	920,683
Ireland (cost \$706,404)	(1.1)	711,428
Israel (cost \$636,481)	(1.0)	615,567
Jersey (cost \$264,454)	(0.5)	261,634
Liberia (cost \$185,200)	(0.4)	183,682
Luxembourg (cost \$8,675,227)	(8.4)	5,371,477
Mexico (cost \$134,433)	(0.2)	126,725
Netherlands (cost \$640,987)	(1.3)	744,425
Panama (cost \$107,297)	(0.2)	116,188
Portugal (cost \$16,792,143)	(8.3)	5,322,122
South Africa (cost \$264,681)	(0.4)	269,108
Sweden (cost \$213,326)	(0.3)	201,165
Switzerland (cost \$246,359)	(0.4)	274,264
United States (cost \$65,642,494)	(97.7)	62,381,215
Other (cost \$439,527)	(0.6)	385,278
Total investments in securities, at fair value (cost \$101,562,124)	(128.9) %	\$ 82,213,074

Investments in affiliated private investment company, at fair value

United States (cost \$200,000)	(0.3) %	\$ 200,000
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Repurchase agreements, at fair value

Australia (cost \$2,592,000)	(4.1) %	\$ 2,592,000
Brazil (cost \$1,980,000)	(3.1)	1,980,000
Germany (cost \$25,001,251)	(38.9)	24,853,318
Great Britain (cost \$7,298,550)	(11.4)	7,298,550
Italy (cost \$20,755,712)	(32.3)	20,626,618
Netherlands (cost \$2,843,269)	(4.5)	2,843,269
South Africa (cost \$2,557,500)	(4.0)	2,557,500
Turkey (cost \$6,284,800)	(9.8)	6,284,800
United States (cost \$731,776,221)	(1,145.6)	731,776,221
Other (cost \$1,438,600)	(2.3)	1,438,600
Total repurchase agreements, at fair value (cost \$802,527,903)	(1,256.0) %	\$ 802,250,876

Derivative contracts-assets, at fair value

United States (cost \$275,522)	(1.6) %	\$ 992,136
Other (cost \$35,284)	(0.1)	72,386
Total derivative contracts-assets, at fair value (cost \$310,806)	(1.7) %	\$ 1,064,522

GWA, LLC AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATED CONDENSED SCHEDULE OF INVESTMENTS (CONTINUED)

December 31, 2022

	Percentage of Member's Equity	Fair Value
The geographical categorization by country of issuer is as follows (continued):		
Securities sold short, at fair value		
Australia (proceeds \$174,300)	(0.3) %	\$ 186,412
Belgium (proceeds \$169,818)	(0.3)	204,516
Canada (proceeds \$944,978)	(1.5)	963,666
Denmark (proceeds \$99,697)	(0.2)	103,611
France (proceeds \$284,505)	(0.5)	340,260
Germany (proceeds \$133,417)	(0.2)	152,836
Great Britain (proceeds \$931,462)	(1.5)	964,104
Ireland (proceeds \$477,832)	(0.7)	468,230
Jersey (proceeds \$187,079)	(0.3)	187,414
Netherlands (proceeds \$231,664)	(0.4)	225,129
Norway (proceeds \$339,331)	(0.5)	340,553
Switzerland (proceeds \$261,645)	(0.4)	259,306
United States (proceeds \$58,963,089)	(90.6)	57,838,153
Other (proceeds \$367,001)	(0.6)	371,427
Total securities sold short, at fair value (proceeds \$63,565,818)	(98.0) %	\$ 62,605,617
Derivative contracts-liabilities, at fair value		
United States (proceeds \$1,065,812)	(2.1) %	\$ 1,318,191
Other (proceeds \$95,295)	(0.7)	415,661
Total derivative contracts-liabilities, at fair value (proceeds \$1,161,107)	(2.8) %	\$ 1,733,852

Exhibit B

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

(UNAUDITED)

December 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$	5,341,085
Due from brokers		13,813,818
Fees receivable, related party		7,460,650
Investments in securities, at fair value		131,981,159
Investment in affiliated private investment companies, at fair value		200,000
Derivative contracts, at fair value		334,768
Cash -restricted		576,569
Prepaid expenses		1,328,952
Accounts receivable		14,124,490
Notes receivable		3,386,303
Dividends and interest receivable		526,750

Total current assets 179,077,287

Property and equipment, net 2,193,935

Right-of-Use Asset 9,394,994

Total assets \$ 190,666,216

LIABILITIES AND EQUITY

Current liabilities

Securities sold short, at fair value	\$	98,068,189
Derivative contracts, at fair value		470,698
Due to brokers		19,181,757
Compensation payable		34,225,043
Interest and dividend payable		560,421
Lease Liabilities, current portion		2,962,091
Accrued expenses and other liabilities		3,293,533

Total current liabilities 158,761,732

Long-term liabilities

Lease Liabilities, less current portion	8,077,197
Note payable, less current portion	61,996,364
Placement fee payable, less current portion	1,566,471
Member's distributions payable, less current portion	49,627,218
Compensation payable, less current portion	20,130,945

Total long-term liabilities 141,398,195

Total liabilities 300,159,927

Equity

Members' equity	(109,495,223)
Non-controlling interest	1,512
	(109,493,711)

Total liabilities and equity \$ 190,666,216

GWA, LLC AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF OPERATIONS****(UNAUDITED)****For the period end December 31, 2023****Revenues**

Management fee income	\$ 38,182,085
Strategy success fee	2,581,878
Incentive fee	20,559,681
Other income	941,362
Total revenues	<u>62,265,006</u>

Investment and Trading Income (loss)

Net realized and unrealized gain/(loss) on investments, derivatives, and foreign currency	1,399,723
Interest and dividend income	6,280,838
Interest and dividend expense	<u>(5,547,707)</u>
Total interest and dividend expense	<u>2,132,854</u>

Revenues, net of interest and dividend expenses64,397,860**Expenses**

Salaries, benefits and profit-sharing	70,952,854
Market data and research expense	1,620,186
Occupancy expense	3,999,139
Consulting and professional fees	5,296,430
Computer and data processing	1,968,895
Travel and entertainment	1,084,217
Depreciation and amortization	549,045
Transportation expense	437,395
Interest on loans	7,102,058
Interest on revenue share	4,209,694
Fund operating expense	437,461
Office and other expenses	<u>1,731,259</u>
Total expenses	<u>99,388,633</u>

Net loss before income tax expense (34,990,773)

Net loss attributable to non-controlling interest (22,985)**Net loss attributable to Members**\$ (34,967,788)

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(UNAUDITED)

For the period end December 31, 2023				
	Members' Equity		Non-controlling Interest	Total
Equity, beginning of year	\$	(63,867,149)	\$ 1,509	\$ (63,865,640)
Contributions		140,000	95,711	235,711
Withdrawals		(10,800,286)	(72,723)	(10,873,009)
Net gain/(loss)		(34,967,788)	(22,985)	(34,990,773)
Equity, end of year	\$	(109,495,223)	\$ 1,512	\$ (109,493,711)

GWA, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period end December 31, 2023

Cash flows from operating activities

Net gain	\$	(34,990,773)
Adjustments to reconcile net gain to net cash		
Guaranteed payment to member		140,000
Used in operating activities:		
Depreciation and amortization expense		549,045
Changes in operating assets and liabilities:		
Due from brokers		3,911,801
Fees receivable, related party		(2,649,061)
Cash - restricted		(793)
Prepaid expenses		433,811
Accounts receivable		(7,770,645)
Notes receivable		(321,279)
Interest and dividend receivable		(142,975)
Other current assets		(1,532)
Due to brokers		18,363,010
Compensation payable		12,004,574
Interest and dividend payable		160,734
Account payable, related party		(217,442)
Accrued expenses and other liabilities		23,764,835
Right-of-Use Asset		1,412,928
Lease Liabilities		(1,398,792)

Net cash used in operating activities 13,247,446

Cash flows from investing activities

Investments in securities	(49,768,085)
Derivative contracts	729,754
Securities sold short	35,462,572
Derivative contracts	(1,263,154)
Purchases of property and equipment	(46,347)

Net cash provided by investing activities (14,885,260)

Cash flows from financing activities

Members' distributions, net of changes in members' distributions payable	(9,873,009)
Proceeds from non-controlling interest capital contributions	95,711
Principal payments on note payable	1,000,000

Net cash used in financing activities (8,777,298)

Net increase in cash and cash equivalents (10,415,112)

Cash and cash equivalents, beginning of year 15,756,197

Cash and cash equivalents, end of the period Decemer 31, 2023 \$ 5,341,085

GWA, LLC AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION CONSOLIDATED SCHEDULES OF MEMBERS' EQUITY

For the period end December 31, 2023	Total Members' Equity	Jefferies Asset Management	Other Members
Members' equity, beginning of year	\$ (63,867,149)	\$ -	\$ (63,867,149)
Members' contributions	140,000	-	140,000
Members' withdrawals	(10,797,305)	(10,797,305)	-
Net gain/(loss)	<u>(34,967,788)</u>	<u>10,800,286</u>	<u>(45,768,074)</u>
Members' equity, end of December 31, 2023	(109,492,242)	2,981	(109,495,223)
Accrued revenue share on non-crystallized fees	<u>(2,981)</u>	<u>(2,981)</u>	<u>-</u>
Adjusted Equity, end of the period December 31, 2023	<u>\$ (109,495,223)</u>	<u>\$ -</u>	<u>\$ (109,495,223)</u>

Exhibit C

From: Jeffrey Dillabough <jdillabough@gweiss.com>

Sent: Friday, February 9, 2024 11:59 AM

To: Nick Daraviras <ndaraviras@jefferies.com>; Michael Edwards <medwards@gweiss.com>

Cc: Brian Friedman <bfriedman@jefferies.com>; George Weiss <George@gweiss.com>; jvisser@gweiss.com **Subject:** RE: Follow up

[External Message]

Hi Nick,

I can assure you that we are operating the business in the normal course. As we all agreed, it is in all of our interests not to disrupt the teams in order to preserve the value of the organization. George is meeting with Millenium at 3pm to try to work through some (hopefully) final hurdles. He is going to ask Pete Santoro to call you after the meeting to give you the assurances you need. If Pete does not end up calling today or on the weekend, we will meet with you Monday morning at your convenience to discuss next steps.

To the extent that you make a legal filing against us, you risk destroying the value of our firm by jeopardizing our discussions with Millenium and/or putting us in a position where we need to notify our most important clients of the development, causing them to immediately redeem. It is imperative that you do not take this action due to the irreparable harm it may cause.

Regards,

Jeff

From: Nick Daraviras <ndaraviras@jefferies.com>

Sent: Thursday, February 8, 2024 4:08 PM

To: Michael Edwards <medwards@gweiss.com>; Jeffrey Dillabough <jdillabough@gweiss.com>

Cc: Brian Friedman <bfriedman@jefferies.com>; George Weiss <George@gweiss.com>

Subject: Follow up

Mike/Jeff –

I am disappointed that we have not yet heard back from you regarding our conversation yesterday afternoon. We believe the current situation requires immediate action and attention. We are being advised by counsel to seek a temporary restraining order (TRO) to protect our rights. We are further advised that we should not wait beyond Monday morning to make the TRO filing. We would like to use this time to finalize the forbearance agreement that we sent to you a week ago to avoid this. Please advise us when you are able to sign that agreement or if your counsel would like to discuss.

Our lawyers have also asked us to confirm that the management team at Weiss has not undertaken any fraudulent conveyance or other bad act contrary to our rights and the protection of our interests, including the transfer of any value out of OGI or any other Weiss entity or making any bonus or other payments to employees or other owners or related parties, and will not do so while Weiss is insolvent unless we are paid what is due to us but we need this to be evidenced in writing and legally enforceable.

In addition, we believe the discussions of a potential investment by Millennium Partners are not moving at an acceptable pace and require our involvement if they are to lead to a mutually beneficial outcome in the necessary time frame. We stand at the ready to participate in any such discussions.

Lastly, our counsel asks that if you are unwilling or unable to agree to these terms, please confirm that you will accept service of the TRO papers by email on Monday.

Regards,

Nick

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Exhibit D

NAME	PAY DATE	GROSS PAY
Abbassi, Reem	02/12/2024	
Alexander, Brandon M	02/12/2024	
Archer, Pierce M	02/12/2024	
Archer, Pierce M	02/12/2024	
Babbitt, Brenda E	02/12/2024	
Battalino, Donna D	02/12/2024	
Bessey, Christopher T	02/12/2024	
Bosse, Joseph T	02/12/2024	
Bouchard, Allan A	02/12/2024	
Boutin-Chea, Brynn Y	02/12/2024	
Bradley, Jeffrey S.	02/12/2024	
Breen, Steven M.	02/12/2024	
Breen, Steven M.	02/12/2024	
Buzas, Nicholas J	02/12/2024	
Carlson, Nils P	02/12/2024	
Clatterbuck, Jennah L	02/12/2024	
Cleveland, Catriona	02/12/2024	
Crowell, Scott A	02/12/2024	
Dao, Phuong Anh A	02/12/2024	
D'Arrigo, Amanda A	02/12/2024	
Dillabough, Jeffrey	02/12/2024	
Doshi, Avani D	02/12/2024	
Edwards, Michael A	02/12/2024	
Enagbare, Ivie A	02/12/2024	
Flax, Rachel E	02/12/2024	
Gamache, Timothy M	02/12/2024	
Gendreau, Robert E	02/12/2024	
Greenbaum, David J	02/12/2024	
Guilmartin, Kevin	02/12/2024	
Hahn, Christina	02/12/2024	
Hamid, Alicia	02/12/2024	
High, Samuel A	02/12/2024	
Hopkins, David R	02/12/2024	
Jiang, Su	02/12/2024	
Khosid, Eugene	02/12/2024	
Klahs, Christine	02/12/2024	
Kololyan, Levon E	02/12/2024	
Kornfeld, Myles A	02/12/2024	
Krukar, Belinda L	02/12/2024	
Lanzoni, Michele	02/12/2024	
Lanzoni, Michele	02/12/2024	
Lazzara, James M	02/12/2024	
Lee, Suk H	02/12/2024	
Lessard Jr, Richard	02/12/2024	
Levites, Robert	02/12/2024	
Lior, Ron M	02/12/2024	
Maguire, Ryan J	02/12/2024	
Mahony, Andrew A	02/12/2024	
Marquis, Alphonso N	02/12/2024	

McKay, Scott	02/12/2024	
McKay, Scott	02/12/2024	
Meshi, Natalia	02/12/2024	
Morris, Nicholas	02/12/2024	
Morrissey, Tucker R	02/12/2024	
Morrissey, Tucker R	02/12/2024	
O'Connor, Andrew T	02/12/2024	
Olanow, Edward B	02/12/2024	
Osier, Jason D	02/12/2024	
Patel, Ashesh R	02/12/2024	
Pizzi, Andrew P	02/12/2024	
Reiners, Taylor J	02/12/2024	
Richards-Parnell, Alexander	02/12/2024	
Richards-Parnell, Alexander	02/12/2024	
Roche, Jena M	02/12/2024	
Romero-Vicini, Bonnie Lou	02/12/2024	
Rosenholm, Theodor	02/12/2024	
Rubin, Lawrence E.	02/12/2024	
Sevigny, Bryan M	02/12/2024	
Sevigny, Susan C	02/12/2024	
Shin, Dae S	02/12/2024	
Singh, Satinder P	02/12/2024	
Stearns, Victoria C	02/12/2024	
Stearns, Victoria C	02/12/2024	
Stetsenko, Kateryna	02/12/2024	
Trantalis, Jason R	02/12/2024	
Umunakwe, Kayecianne M	02/12/2024	
Unan, Sterling D	02/12/2024	
Vencus, Jeffrey M	02/12/2024	
Visser, Jordi	02/12/2024	
Wentworth, Lisa M	02/12/2024	
Yam, Timothy	02/12/2024	
Yang, Bo	02/12/2024	
Yang, Teng	02/12/2024	
Yoon, Lina	02/12/2024	
Zboralske, Casey J	02/12/2024	
Zhu, Tiantian	02/12/2024	
Total		28,139,615.95

Exhibit E

From: Jordi Visser <jvisser@gweiss.com>
Sent: Friday, March 1, 2024 4:33:24 PM
To: Nick Daraviras <ndaraviras@jefferies.com>
Subject: FW: Payments for today in excess of \$10k

[External Message]

Nick,
I just called and got your voicemail.

Here are some payments for today higher than the \$10,000. Mike is working on more details regarding the ongoing costs and Monday we will come back to you with our plans on the next few weeks so you have the details on next steps with the wind down.

In terms of the new forbearance agreement, George has been out and not reachable since yesterday so we are giving him until Monday to take him through everything before we respond with thoughts. In addition, our counsel has also reviewed it and said we need some time due to the complexity on our side before we respond so we will come back Monday on that.

In terms of clients, we just finished a call with Hawaii with Kevin on it. He can share the details if you are interested.

Jordi

From: Michele M. Lanzoni <mlanzoni@gweiss.com>
Sent: Friday, March 1, 2024 3:55 PM
To: Jordi Visser <jvisser@gweiss.com>
Cc: Jeffrey Dillabough <jdillabough@gweiss.com>; Michael Edwards <medwards@gweiss.com>
Subject: Payments for today in excess of \$10k
Importance: High

Jordi,

The following invoices in excess of \$10k need to be paid today. Please forward to Jefferies.

		WMSA	LLC	
3/1/2024				
report to Jefferies	Intertrust Corporate & Fund Services (VITEOS)	22,100.00		Operational support firm - necessary to conduct business
report to Jefferies	United Healthcare	343,051.14		Employee health benefits
report to Jefferies	KPMG		30,400.00	Tax Preparation retainer
report to Jefferies	Chimenet (Wallingford)	13,728.20		March rent - data center
		378,879.34	-	30,400.00

Please advise.



Michele M. Lanzoni
Sr. Vice President & Controller

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