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INDEPENDENT PUBLIC-SOURCE CASE STUDY | NOT A CLIENT ENGAGEMENT

Synapse Financial Technologies: Counterparty Reality Before Reliance

Counterparty / Public-Source Due Diligence | *Complete Case Pack*

Evidence cut-off: 22 August 2026
Complete case-pack production: V1.0 | 23 August 2026

Package status: APPROVED FINAL PUBLIC EDITION
Human-approved for public release by Paul Hattingh on 23 August 2026. Evidence limitations and future review triggers remain controlling.

APPROVED FINAL PUBLIC EDITION

Aperture Research Works did not act for the subject or any other party in this public-source demonstration. The work is designed to show how evidence is tested before reliance. Proprietary internal prompts, scoring logic, QA architecture and protected working records are not published.

REALITY BEFORE RELIANCE.
VERIFICATION BEFORE INTERPRETATION.
EVIDENCE BEFORE NARRATIVE.

Document control and reliance boundary

Public brand	Aperture Research Works
Document	Complete Case Pack (CCP)
Product / capability	Counterparty / Public-Source Due Diligence
Operating mode	Independent Public-Source Case Study - Not a Client Engagement
Governing master	PHW Research AI v11.0
Evidence cut-off	22 August 2026
Research status	Research Complete / Approved
Public edition status	APPROVED FINAL PUBLIC EDITION
Professional boundary	Public-source corporate counterparty review; no banking, legal, audit or consumer-claim adjudication.
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Human approval of exact PDF	Paul Hattingh | 23 August 2026 | Approved for public release
Release-date current-status check	Release-date current-status check completed 23 August 2026. The Synapse bankruptcy case was closed on 29 June 2026 after dismissal, and no later authoritative development was identified that changes the controlled reconciliation, counterparty or reliance findings.

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1. Document 1 - Principal Investigative Dossier
2. Document 2 - Claims-and-Evidence Matrix
3. Document 3 - Master Chronology
4. Document 4 - Source and Evidence Register
5. Document 5 - Public Portfolio Edition
6. Document 6 - Final Delivery Manifest

The combined case pack follows the controlled document sequence. A Specialist Appendix is omitted unless it adds a distinct professional function and the required competence boundary can be stated accurately.

DOCUMENT 1

PRINCIPAL INVESTIGATIVE DOSSIER

Synapse Financial Technologies: Counterparty Reality Before Reliance | Counterparty / Public-Source Due Diligence

Executive decision summary

Synapse demonstrates why a counterparty cannot be understood by the name on a contract or by a list of banking relationships alone. Its technology sat between fintech platforms, partner banks and end users. When the intermediary failed, the practical question became whether the records across that chain actually reconciled and whether consumers could access funds represented as theirs.

Central question

Before relying on Synapse as critical financial infrastructure, what evidence was required to establish that customer balances, partner-bank records, FBO account structures, operational responsibility and regulatory controls were coherent enough to support the reliance being placed on the platform?

Decision-safe finding

The later public record shows that the reconciliation and recordkeeping layer was a critical reliance dependency. The CFPB states that it alleged Synapse failed to maintain adequate records of the location of consumers' funds and failed to ensure those records matched partnering-bank records. The CFPB says partnering banks identified a shortfall between $60 million and $90 million and that consumers lost access for weeks or months. A stipulated final judgment was entered on 12 September 2025. Those later events do not mean every earlier public representation was false, but they show why "funds held through partner banks" was not enough evidence for a high-consequence counterparty decision.

The operating model mattered

Synapse described itself as technology connecting nonbank fintech platforms with traditional partnering banks. That structure created several distinct evidence layers:

- the fintech-facing application and ledger presentation;
- Synapse's own transaction and reconciliation records;
- omnibus FBO accounts at partner banks;
- each partner bank's system of record and controls;
- legal and contractual allocation of ledgering, reconciliation, dispute and customer-access responsibilities.

A due-diligence review had to test the interfaces, not merely confirm that regulated banks existed in the chain.

Chronology of the reliance failure

Date	Event	Decision significance
22 Apr 2024	Synapse filed Chapter 11	Critical infrastructure counterparty entered insolvency process
Apr-May 2024	Bankruptcy court dealt with emergency disputes involving Evolve	Operational dependency became an immediate customer-access issue
14 Jun 2024	Federal Reserve announced enforcement against Evolve	Fed cited deficiencies in fintech-partnership risk management; expressly said action was independent of Synapse bankruptcy
21 Aug 2025	CFPB commenced adversary proceeding against Synapse	Regulator alleged inadequate fund-location records and mismatch with bank records
12 Sep 2025	Stipulated final judgment entered	Court-entered resolution imposed injunctive relief and a civil penalty structure

Claims that required direct verification

Proposition	Why confirmation mattered	Evidence that should have been sought before reliance
"Customer funds are held at partner banks"	Location does not prove reconciled beneficial entitlement or access	Direct bank confirmation, account-control documents, FBO structure, reconciliation testing
"Balances shown in the platform are accurate"	User-facing balance may depend on intermediary ledger	Three-way reconciliation across fintech, Synapse and bank records
"Bank partner relationship reduces operational risk"	Bank existence does not transfer every operational control to the bank	Responsibility matrix, oversight procedures, service continuity plan
"FDIC-insured banking relationship makes the full model safe"	Deposit insurance and operational access are different questions	Deposit placement evidence, pass-through requirements, account titling, record integrity
"Critical money movement can continue through counterparty distress"	Insolvency can expose interface and control dependencies	Exit rights, data portability, ledger export, business-continuity testing

Strongest counter-position

The collapse should not be used to claim that every partner bank caused the shortfall or that later regulatory actions prove a single actor's liability for every customer loss. The Federal Reserve expressly described its June 2024 Evolve action as independent of the Synapse bankruptcy. Entity-specific responsibility must remain tied to the controlling record.

What this case demonstrates

Counterparty due diligence is not a background profile. For a critical provider it asks whether the business model can actually support the operational and financial reliance the client intends to place on it.

A situation like this may arise when

- a fintech depends on middleware or banking-as-a-service infrastructure;
- a business holds customer money through a multi-party structure;
- a buyer sees multiple bank logos and assumes that reconciliation risk has been solved;
- a board needs to understand who owns the ledger and who can restore access if one party fails; or
- a transaction depends on a regulated partner relationship that does not itself prove operational control.

Counterparty dependency map

Dependency	What had to be true	Failure signal
Customer / fintech ledger	Displayed balance accurately reflected entitlement	Difference between platform records and bank-held funds
Synapse reconciliation layer	Records located funds and matched partner-bank records	CFPB alleged inadequate location records and mismatch
Partner-bank FBO structure	Account titling and records supported correct beneficial allocation	Reconciliation disputes and delayed distributions
Data portability	A successor or bank could reconstruct balances if Synapse failed	Bankruptcy exposed dependence on Synapse records
Responsibility allocation	Ledgering, reconciliation and consumer access had clear accountable owners	Parties disputed records and responsibilities
Continuity planning	Critical customer access survived intermediary distress	Users lost access for weeks or months according to CFPB

Evidence-gap register a prudent buyer would have closed

G01 - independent reconciliation testing. Sampled account-level tracing from fintech display through Synapse ledger to bank record.
G02 - FBO legal architecture. Current account agreements, titling, beneficiary records and pass-through deposit-insurance assumptions.
G03 - exception history. Ageing of unreconciled items and ownership of resolution.
G04 - business continuity. Demonstrated ability to export a complete ledger and restore access without Synapse.
G05 - bank oversight. Evidence of partner monitoring, audit rights, issue escalation and control testing.
G06 - financial resilience. Runway and insolvency-contingency controls for a provider embedded in money movement.

Source-independence and attribution

The CFPB action is the strongest later regulatory source for the alleged recordkeeping failure and stated $60m-$90m shortfall. The Federal Reserve's Evolve action is separate evidence about that bank's fintech-partnership risk management and expressly states that it was independent of the Synapse bankruptcy. Those records must not be merged into a single finding of shared liability. The bankruptcy docket establishes procedural events and the platform's distress, not every contested allocation of missing balances.

Competing hypotheses

H1 - the existence of regulated partner banks made the intermediary layer immaterial. Rejected. The public record shows the ledger and reconciliation interface itself was load-bearing.
H2 - Synapse alone can be treated as the proven cause of every customer loss. Too broad. Entity-specific responsibility and bank-record disputes require separate treatment.
H3 - the structure created a control problem in which no single logo or relationship proved end-to-end reconciliation. Best supported for the decision-use lesson.

Selected source register

1. U.S. Bankruptcy Court, Central District of California, Synapse Financial Technologies, Inc., Case 1:24-bk-10646-MB. Open public source
2. Federal Reserve Board, enforcement action against Evolve Bancorp, Inc. and Evolve Bank & Trust, 14 June 2024. Open public source
3. Consumer Financial Protection Bureau, Synapse Financial Technologies, Inc., enforcement action, August-September 2025. Open public source
4. Stipulated Final Judgment and Order, 12 September 2025. Open public source

Reliance conclusion

High-consequence reliance required direct reconciliation and control evidence. The existence of bank partners, FBO accounts and a technology platform did not by itself establish that balances across the system reconciled, that responsibility was unambiguous or that access would survive counterparty failure.

RELEASE-DATE CURRENT-STATUS CHECK

Release-date current-status check completed 23 August 2026. The Synapse bankruptcy case was closed on 29 June 2026 after dismissal, and no later authoritative development was identified that changes the controlled reconciliation, counterparty or reliance findings.

This release-date check does not silently extend the frozen evidence universe. A material new controlling source would require the matter to reopen under the v11.0 update trigger.

DOCUMENT 2

CLAIMS AND EVIDENCE MATRIX

Claim-level factual status, evidential confidence, reliance and qualification control

Claims-and-Evidence Matrix

Proposition	Why confirmation mattered	Evidence that should have been sought before reliance
"Customer funds are held at partner banks"	Location does not prove reconciled beneficial entitlement or access	Direct bank confirmation, account-control documents, FBO structure, reconciliation testing
"Balances shown in the platform are accurate"	User-facing balance may depend on intermediary ledger	Three-way reconciliation across fintech, Synapse and bank records
"Bank partner relationship reduces operational risk"	Bank existence does not transfer every operational control to the bank	Responsibility matrix, oversight procedures, service continuity plan
"FDIC-insured banking relationship makes the full model safe"	Deposit insurance and operational access are different questions	Deposit placement evidence, pass-through requirements, account titling, record integrity
"Critical money movement can continue through counterparty distress"	Insolvency can expose interface and control dependencies	Exit rights, data portability, ledger export, business-continuity testing

Control note: classifications are matter-specific and bounded by the Evidence Cut-off. A source ID refers to the Source and Evidence Register in Document 4.

DOCUMENT 3

MASTER CHRONOLOGY

Material events, dates, status and evidentiary significance

Controlled chronology

Date	Event	Decision significance
22 Apr 2024	Synapse filed Chapter 11	Critical infrastructure counterparty entered insolvency process
Apr-May 2024	Bankruptcy court dealt with emergency disputes involving Evolve	Operational dependency became an immediate customer-access issue
14 Jun 2024	Federal Reserve announced enforcement against Evolve	Fed cited deficiencies in fintech-partnership risk management; expressly said action was independent of Synapse bankruptcy
21 Aug 2025	CFPB commenced adversary proceeding against Synapse	Regulator alleged inadequate fund-location records and mismatch with bank records
12 Sep 2025	Stipulated final judgment entered	Court-entered resolution imposed injunctive relief and a civil penalty structure

Chronology control: event dates are distinguished from later publication, filing and current-status dates where material. The chronology does not convert allegations into findings.

DOCUMENT 4

SOURCE AND EVIDENCE REGISTER

Controlling public sources, exact web locators, material use and reliance limitations

Source-control method

Each material public source is tied to the propositions attributed to it in this case pack. A source is not used to establish a proposition beyond its authority, scope or recorded limitation. Where a public source link is available, the descriptive Source link below is clickable.

> The public-source set establishes the operating/court/regulatory boundary. It cannot reconcile every end-user balance or allocate final responsibility across every programme bank and platform participant.

Material public-source register

S01 - Synapse Financial Technologies, Inc., Case 1:24-bk-10646-MB, public docket portal

Authority / issuer	U.S. Bankruptcy Court, Central District of California
Date	2024-2026
Source type / tier	Primary court record
Precise locator	Exact public web source at the linked URL; proposition-specific use and limitations are recorded below and in the Principal Investigative Dossier.
Material propositions supported / use	Bankruptcy chronology, trustee/court process and procedural endpoint.
Does not establish / limitations	Docket access establishes filed procedural material; individual allegations require their own attribution and merits status.
Reliance grade	Very High for docket events.

Public URL: Open public source

S02 - Enforcement action against Evolve Bancorp, Inc. and Evolve Bank & Trust

Authority / issuer	Federal Reserve Board
Date	14 June 2024
Source type / tier	Primary regulator action
Precise locator	Exact public web source at the linked URL; proposition-specific use and limitations are recorded below and in the Principal Investigative Dossier.
Material propositions supported / use	Regulatory context concerning Evolve's risk-management and compliance obligations relevant to the partner-bank interface.
Does not establish / limitations	Does not itself allocate every Synapse customer shortfall or establish Synapse-specific liability.
Reliance grade	Very High for the Board action and stated findings/requirements.

Public URL: Open public source

S03 - Synapse Financial Technologies, Inc. enforcement action

Authority / issuer	Consumer Financial Protection Bureau
Date	August-September 2025
Source type / tier	Primary regulator case page
Precise locator	Exact public web source at the linked URL; proposition-specific use and limitations are recorded below and in the Principal Investigative Dossier.
Material propositions supported / use	Federal consumer-finance enforcement posture and final resolution involving Synapse.
Does not establish / limitations	Use only for propositions within the order/action; not a universal reconciliation of all customer balances.
Reliance grade	Very High for the CFPB action.

Public URL: Open public source

S04 - Stipulated Final Judgment and Order

Authority / issuer	Consumer Financial Protection Bureau / U.S. District Court
Date	12 September 2025
Source type / tier	Primary judicial/regulatory order
Precise locator	Exact public web source at the linked URL; proposition-specific use and limitations are recorded below and in the Principal Investigative Dossier.
Material propositions supported / use	Terms of the stipulated final judgment, prohibitions and monetary/relief provisions where cited.
Does not establish / limitations	Stipulated order must not be expanded into findings beyond its terms or used to allocate all bankruptcy losses.
Reliance grade	Very High within the order.

Public URL: Open public source

DOCUMENT 5

PUBLIC PORTFOLIO EDITION

Decision-focused public summary of the controlled research record

Public Portfolio Edition

> INDEPENDENT PUBLIC-SOURCE CASE STUDY - NOT A CLIENT ENGAGEMENT. This Public Portfolio Edition summarises the controlled evidence record. It is not a substitute for the complete case pack, specialist advice or a commissioned matter-specific engagement.

Central Question

Before relying on Synapse as critical financial infrastructure, what evidence was required to establish that customer balances, partner-bank records, FBO account structures, operational responsibility and regulatory controls were coherent enough to support the reliance being placed on the platform?

Principal evidence-led assessment

Synapse demonstrates why a counterparty cannot be understood by the name on a contract or by a list of banking relationships alone. Its technology sat between fintech platforms, partner banks and end users. When the intermediary failed, the practical question became whether the records across that chain actually reconciled and whether consumers could access funds represented as theirs.

Before relying on Synapse as critical financial infrastructure, what evidence was required to establish that customer balances, partner-bank records, FBO account structures, operational responsibility and regulatory controls were coherent enough to support the reliance being placed on the platform?

The later public record shows that the reconciliation and recordkeeping layer was a critical reliance dependency. The CFPB states that it alleged Synapse failed to maintain adequate records of the location of consumers' funds and failed to ensure those records matched partnering-bank records. The CFPB says partnering banks identified a shortfall between $60 million and $90 million and that consumers lost access for weeks or months. A stipulated final judgment was entered on 12 September 2025. Those later events do not mean every earlier public representation was false, but they show why "funds held through partner banks" was not enough evidence for a high-consequence counterparty decision.

Reliance boundary

This public portfolio summary must be read with the full dossier, Claims-and-Evidence Matrix, Master Chronology and Source and Evidence Register. Evidence Cut-off: 22 August 2026. Status: APPROVED FINAL PUBLIC EDITION.

What the complete case pack demonstrates

The Counterparty / Public-Source Due Diligence demonstrates how Aperture Research Works separates claims, source authority, contrary evidence, unresolved gaps and the level of reliance the record can responsibly support. It does not imply that the subject commissioned or endorsed the work.

DOCUMENT 6

FINAL DELIVERY MANIFEST

File-level control, release status and technical production record

Final Delivery Manifest

Control	Recorded value
Public brand	Aperture Research Works
Matter	Synapse Financial Technologies: Counterparty Reality Before Reliance
Product / capability	Counterparty / Public-Source Due Diligence
Document	Complete Case Pack (CCP)
Document version	1.0
Governing master	PHW Research AI v11.0
Operating mode	Independent Public-Source Case Study - Not a Client Engagement
Evidence Cut-off	22 August 2026
PDF production date	23 August 2026
Package status	APPROVED FINAL PUBLIC EDITION
Human approval of exact PDF	Paul Hattingh | 23 August 2026 | Human-approved for public release
Public-source links	4 clickable descriptive public-source links in the Source and Evidence Register
Output filename	APERTURE_SYNAPSE_CCP_APPROVED_FINAL_PUBLIC_V1.0.pdf

Control	Recorded value
Technical PDF preflight	PASS - final PDF opens correctly, is A4 throughout, text is searchable/selectable, no blank pages or out-of-bounds text blocks were detected, and final preflight was repeated after release metadata. Page count: 16.
Page-by-page render inspection	PASS - all 16 pages rendered at 200 DPI and visually inspected after final release metadata; no clipping, overlap, broken glyphs or unintended blank pages detected.
Font audit	PASS - only permitted embedded Carlito and Liberation Sans families detected; no silent font substitution detected.
Hyperlink audit	PASS - 11 hyperlink annotations detected, including 4 unique descriptive public-source URLs; links preserved in the final PDF.
External SHA-256	Recorded in companion V105 SHA-256 manifest after the final immutable PDF bytes are created.
Release restriction	Approved for public display as an independent public-source case study. This is not a client engagement, legal opinion, specialist certification or permanent-currentness guarantee.
Final page count	16
Authorised release status	APPROVED FINAL PUBLIC EDITION
Human approver	Paul Hattingh
Human approval date	23 August 2026
Scope of approval	Complete combined case-pack PDF, substantive findings and qualifications, public portfolio presentation, source register, release wording and publication status.
Corrections required by approver	None specified in the 23 August 2026 approval instruction; production-control corrections and release-state corrections implemented under v11.0.
Release-date current-status check	Release-date current-status check completed 23 August 2026. The Synapse bankruptcy case was closed on 29 June 2026 after dismissal, and no later authoritative development was identified that changes the controlled reconciliation, counterparty or reliance findings.
Bookmarks and navigation	PASS - 41 top-level/internal bookmark entries detected; document order and navigation checked.
Production Conformity	PASS for Approved Final Public Edition, subject to stated future update triggers.
Mandatory review status	Completed / Not Applicable as recorded for the approved public wording; future-trigger obligations remain controlling.
Final ZIP and hash audit	Performed at package level after the immutable PDF set is frozen; authoritative PDF and ZIP SHA-256 values are recorded in the companion V105 release manifest and QC report.
Included professional functions	Principal Investigative Dossier; Claims-and-Evidence Matrix; Master Chronology; Source and Evidence Register; Public Portfolio Edition; Final Delivery Manifest. The combined PDF is the complete public case pack.
Specialist Appendix status	Not created as a repetitive standalone component. Any genuine specialist-review requirement or technical limitation is disclosed in the relevant dossier and release-control sections.

END OF COMPLETE CASE PACK

Synapse Financial Technologies: Counterparty Reality Before Reliance

Approved Final Public Edition

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VERIFICATION BEFORE INTERPRETATION.
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