



Michael T. Scott  
Direct Phone: +1 215 851 8248  
Email: mscott@reedsmith.com

Reed Smith LLP  
Three Logan Square  
Suite 3100  
1717 Arch Street  
Philadelphia, PA 19103  
Tel +1 215 851 8100  
Fax +1 215 851 1420  
reedsmith.com

July 27, 2017

Via Fax (718) 613-2156

Honorable Dora L. Irizarry  
Chief U.S. District Judge  
United States District Court  
Eastern District of New York  
225 Cadman Plaza East  
Brooklyn, NY 11201

Re: SEC v. Platinum Management (NY) LLP, et al., No. 16-6848 (DLI)(VMS)

Dear Judge Irizarry:

I write on behalf of Reed Smith LLP (“Reed Smith”) with respect to the June 30, 2017 application by Former Receiver Bart M. Schwartz to employ Reed Smith to perform an analysis of certain pending litigation on behalf of the Receivership Entities (the “Application”). Reed Smith respectfully requests that the Application be withdrawn by the newly appointed Receiver (the “Current Receiver”), or if it is not withdrawn that the Court deny the Application in its entirety.

Reed Smith did not authorize, nor was it provided with advance notice of, nor any opportunity to review, the Application or the Declaration of Daniel Burstein submitted in connection therewith. Consistent in part with the SEC’s recently filed objection to the Application, Reed Smith’s conflict check in connection with the proposed engagement showed that it has several conflicts that would make its engagement pursuant to the Application imprudent. Indeed, several weeks ago, shortly after becoming aware of the Application, Reed Smith contacted the Former Receiver and asked that it be immediately withdrawn. Reed Smith was assured that the Former Receiver’s office had spoken with counsel for the Current Receiver, and that the Application would be promptly withdrawn. Following filing of the SEC Response Letter, Reed Smith further communicated with the Former Receiver, and then with counsel for the Current Receiver, to again request that the Application be withdrawn. Counsel for the Current Receiver informed Reed Smith that they would consider the request, but has not thus far committed to withdraw the Application.

Finally, while Reed Smith does not seek to interject itself into any interactions between the SEC and the Former Receiver, it notes further that, from the limited information Reed Smith has seen in the partially unredacted attachment to the SEC Response Letter, the Former Receiver appears to have erroneously listed an amount allegedly owed to the Receivership Entities by Reed Smith. We do not believe there is any such debt owed. The amount listed appears to relate to amounts advanced by a Platinum affiliate under a litigation funding contract, whereby such affiliate’s only entitlement to recoupment of such

Honorable Dora L. Irizarry  
July 27, 2017  
Page 2

ReedSmith

advance is purely contingent upon, and would come solely from, contingent fee payments, if any, realized in the underlying litigation. At most the obligation should have been listed as a contingent, non-recourse receivable. There are additional sums owed to Reed Smith under that contract and Reed Smith anticipates that it will be filing a Proof of Claim with respect to such unpaid amounts.

I am available at the Court's convenience, should any further information be required or any questions arise in connection with the Court's consideration of the Application.

Respectfully Submitted,

/s/ Michael T. Scott

Michael T. Scott

MTS/ces