

EXHIBIT 1

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE	:
COMMISSION,	:
	:
Plaintiff,	:
	:
-v-	:
	:
PLATINUM MANAGEMENT (NY) LLC;	:
PLATINUM CREDIT MANAGEMENT, L.P.;	:
MARK NORDLICHT;	:
DAVID LEVY;	:
DANIEL SMALL;	:
URI LANDESMAN;	:
JOSEPH MANN;	:
JOSEPH SANFILIPPO; and	:
JEFFREY SHULSE,	:
	:
	:
Defendants.	:
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No. 16-cv-6848 (DLI)(VMS)

DECLARATION OF MELANIE L. CYGANOWSKI

I, Melanie L. Cyganowski, pursuant to 28 U.S.C. § 1746, hereby declare that the following is true to the best of my knowledge, information and belief:

1. I make this Declaration in my capacity as the duly appointed Receiver (the “**Receiver**”) of Platinum Credit Management, L.P., Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Liquid Opportunity Management (NY) LLC, and Platinum Partners Liquid Opportunity Fund (USA) L.P. (the “**Receivership Entities**”), and in support of the Application (the “**Houlihan Application**”) of Bart Schwartz, as the prior receiver of the Receivership Entities (the “**Prior Receiver**”) to retain Houlihan Lokey Financial Advisors, Inc. (“**Houlihan**”). [Dkt. No. 111]

2. Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein.

3. On March 23, 2017, the Prior Receiver submitted the Houlihan Application, seeking the retention of Houlihan to assist with determining the fair value of the investments of the Receivership Entities for financial reporting purposes as well as to assist with the determination of how best to dispose of the investments. Attached to the Houlihan Application was a letter agreement dated as of February 21, 2017 (the "*Agreement*") among Houlihan and the Prior Receiver.

4. Following my appointment as Receiver, I reviewed the Houlihan Application and Agreement, and had multiple in person and telephonic meetings with members of the Houlihan team working on the engagement.

5. Houlihan advised me that it had been working on the Platinum Entities valuation project for several months and had completed valuing approximately two-thirds of the Receivership Entities' investments, which represents approximately \$1 million in fees incurred by Houlihan under the Agreement. I was advised by Houlihan that given the necessity of the valuation work they were performing, they were working under the good faith belief that the Houlihan Application would be submitted to the Court and its retention would be approved.

6. Shortly prior to the resignation of the Prior Receiver and in the absence of an order approving its retention, Houlihan ceased its valuation work. I was advised by Houlihan that it is approximately one month away from completing its valuation work and updating its valuations of previously reviewed investments

7. Based upon my discussions with the Houlihan valuation team, the amount of time that has already been invested by Houlihan in the project, the imminence of its completion, the quality of the work that I have seen to date, the need for the valuations to formulate a plan to dispose of the majority of the Receivership Entities' investments, and the time it would take to retain another firm to provide valuation services, I concluded that it is in the best interests of the receivership estates to support the Houlihan Application.

8. I requested of Houlihan that it take a further discount on the fee arrangement agreed to in the Agreement. Houlihan agreed to a further accommodation, and we have executed a letter addendum to the Agreement (the “*Addendum*”), which is attached hereto as Exhibit A. Pursuant to the Addendum, Appendix A and Appendix B of the Agreement are replaced in their entirety with Appendix A and Appendix B attached to the Addendum. Appendix A sets forth a revised fee schedule and Appendix B includes additional investments that Houlihan will value. Under the revised fee schedule contained in Appendix A to the Addendum, Houlihan has agreed not to charge any fees for investments that it ultimately categorizes as having zero value, referred to as “Type Zero” investments. There are potentially nineteen, if not more, investments that will be categorized as Type Zero investments. It is my estimate that this will reduce the total fees payable to Houlihan under the Agreement by more than \$380,000 under the new Appendix A.

9. As a sign of good faith and in the interest of having Houlihan immediately resume its valuation work, upon the execution of the Addendum I have authorized the payment to Houlihan of the \$200,000 retainer agreed to under the Agreement. Houlihan has agreed to immediately resume its work. If the Houlihan Application is approved by the Court, I intend to pay Houlihan an additional \$300,000 towards the work already performed and will continue to pay in increments the amounts due to Houlihan as the finances of the Receivership Entities permit in my reasonable business judgment.

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

Executed this 8th day of August, 2017, at New York, NY.

/s/ Melanie L. Cyganowski
Melanie L. Cyganowski

EXHIBIT A



HOULIHAN LOKEY

August 7, 2017

Personal and Confidential

Melanie Cyganowski, solely in her capacity as receiver
for the Receivership Entities (the "Receiver" or "you")
c/o Otterbourg P.C.
230 Park Avenue
New York, NY, 10169

Dear Ms. Cyganowski:

Reference is made to that certain letter agreement dated as of February 21, 2017 (the "Agreement") among Houlihan Lokey Financial Advisors, Inc. ("Houlihan Lokey" or "we") and Bart Schwartz (the "Prior Receiver"), then, in his capacity as receiver for, and on behalf of each of, Platinum Credit Management, L.P. ("PCM"), Platinum Partners Credit Opportunities Master Fund LP ("Master Fund"), Platinum Partners Credit Opportunities Funds (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Liquid Opportunity Management (NY) LLC ("PLOM", and together with PCM, the "Managers"), and Platinum Partners Liquid Opportunity Fund (USA) L.P. (each, a "Receivership Entity," and collectively, the "Receivership Entities"), pursuant to which Houlihan Lokey was engaged by the Prior Receiver to perform certain valuation advisory services with respect to certain Investments (as defined in the Agreement) to assist the Prior Receiver in his determination of the fair value of the Investments for financial reporting purposes as well as the Prior Receiver's evaluation of the Investments for internal planning purposes (collectively, the "Services").

We understand that on July 6, 2017, the United States District Court for the Eastern District of New York (the "Court") in the matter of *Securities and Exchange Commission v. Platinum Management (NY) LLC, et al.*, Case No. 16-6848, accepted the resignation of the original receiver and appointed you as Receiver for the Receivership Entities effective immediately (i.e., July 6, 2017). [Docket No. 216]. We further understand that a Second Amended Order Appointing Receiver (the "Amended Order"), a draft of which you provided to us, will be submitted to the Court for approval. We further understand that solely in your capacity as receiver for, and on behalf of each of, the Receivership Entities, you would like to continue to utilize Houlihan Lokey to provide the Services in accordance with the terms and conditions of the Agreement, as supplemented by this letter addendum (this "Addendum").

As such, Houlihan Lokey and the Receiver, solely in her capacity as receiver for, and on behalf of each of, the Receivership Entities hereby agree that the Agreement (as modified hereby) shall govern the terms and conditions upon which the Receiver engages Houlihan Lokey to provide the Services, and that any references to the "Receiver" in the Agreement shall hereby be construed to refer to you. The parties hereby agree that Appendix A and Appendix B of the Agreement shall be replaced in their entirety with

Appendix A and Appendix B attached hereto, based upon a review and discussion of the nature and complexity of the Investments with the Receiver following her appointment, which would reduce the total fees payable to Houlihan Lokey under the Agreement by more than \$380,000 under the new Appendix A as compared to the fee schedule set forth in Appendix A to the initial Agreement. Furthermore, the parties agree that the reference to paragraph 41 in Section 4 of the Agreement shall be hereby amended to refer to paragraph 40 of the Amended Order, and that otherwise, any other references to the Order in the Agreement shall be construed to refer to the Amended Order.

Undefined capitalized terms used in this Addendum shall have the meaning ascribed thereto in the Agreement. Except as expressly modified by this Addendum, each of Houlihan Lokey's and the Receiver's respective rights and obligations under the Agreement shall remain unmodified and in full force and effect.

This letter shall be binding upon and shall insure to the benefit of the parties hereto and their respective successors and assigns, and may be amended only by a written instrument signed by Houlihan Lokey and the Receiver.

Platinum Receivership Entities

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Please confirm that the foregoing terms are in accordance with your understanding by signing and returning a copy of this Addendum.

Sincerely,

HOULIHAN LOKEY FINANCIAL ADVISORS, INC.

By: 
Terence B. Flynn
Managing Director

Accepted and agreed to as of the date
first written above:

By: */s/ Melanie Cyganowski*
Melanie Cyganowski, solely in her capacity as receiver for the Receivership Entities

Acknowledged and agreed to as of the date
first written above:

PLATINUM CREDIT MANAGEMENT, L.P.

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

PLATINUM PARTNERS CREDIT OPPORTUNITIES MASTER FUND LP

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

PLATINUM PARTNERS CREDIT OPPORTUNITIES FUNDS (TE) LLC

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

Platinum Receivership Entities

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PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND LLC

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

PLATINUM PARTNERS CREDIT OPPORTUNITY FUND (BL) LLC

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

PLATINUM LIQUID OPPORTUNITY MANAGEMENT (NY) LLC

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

PLATINUM PARTNERS LIQUID OPPORTUNITY FUND (USA) L.P.

By: */s/ Melanie Cyganowski*
Melanie Cyganowski
Receiver

APPENDIX A**FEE SCHEDULE** (as amended pursuant to the Addendum)

The Initial Valuation shall consist of a valuation of each of the Investments for purposes of assisting the Receiver in its determination of the fair value of the Investments for financial reporting purposes only. For the Initial Valuation, fees will be determined as discussed below.

Based on an assessment of the Investments, and upon mutual agreement between the Receiver and Houlihan Lokey, each Investment will be classified as:

- **Type Zero:** de minimis ascribed based on a review of the information available, along with discussions with the Receiver and management of the Receivership Entities; OR
- **Type A:** straightforward valuation with more robust information available, access to portfolio company management, and/or small in size relative to the total portfolio; OR
- **Type B:** complex valuation with less transparent information, a higher level of uncertainty of inputs and assumptions, and/or comprising a larger portion of the total portfolio.

As amended in this Addendum, fees will be incurred and billed depicted in the following table. Specifically, we have added the 'Type Zero' pricing to reflect our understanding of the Investments and our discussions with the Receiver following the Amended Order.

Investment Type	Fee per Investment
Type Zero ¹	\$0
Type A	\$20,000
Type B	\$50,000

1. 'Type Zero' Investments may include (but are not limited) to the following:

Alcyone Resources Ltd.	Nisayon International Inc.
ARS	Ochre Group Holdings
Car Charging Group Inc.	Over Everything LLC
Carbon Credits	Pedevco Corp
China Cablecom	Pro Master Group
Citation Resources Ltd.	Range Resources
Diamed Partners	Santa Maria Energy Holdings
Environmental Service Professionals	Sun Resources
Judah Peristein	Valley Forge
MMP Resources Ltd	

2. Fees are subject to standard terms and conditions in the Agreement, and are in addition to standard reimbursements for out-of-pocket and administrative expenses.
3. Fee presented on a per-Portfolio Company basis (i.e. fee will be fixed per Portfolio Company irrespective of number of securities held or managed by the applicable Receivership Entity within the Portfolio Company).
4. Houlihan Lokey will use reasonable efforts following receipt of all information requested by Houlihan Lokey in connection with a particular Investment to substantially complete the work that, in its determination, is appropriate in order to be in a position to deliver its conclusions regarding such Investment within four weeks following receipt of all such information requested.

APPENDIX B

RELEVANT ENTITIES (as amended pursuant to the Addendum)

Original Entities Under Agreement

Abdala Gold Mine	Hilgrove Resources Ltd
Acceleration Bay Incubator	Immudyne Inc
Accutane	Infinity Augmented Reality
Agera Energy LLC	Katrina Barge Litigation JV LLC
Airdye LLC	Khorrami Pollard Abir LLP
Alcor Energy Solutions	LC Energy Operations LLC
Alcyone Resources Ltd	Milberg LLP
ALS Capital Ventures	Navidea Biopharmaceuticals
American Patriot Gold LLC	New Jersey Ethanol LLC
Arabella Exploration Inc.	Northstar Offshore Group LLC
Bang Holdings Corp	Ochre Group Holdings
Black Elk Energy Offshore	Parot Tovot LLC
Blumont Group Ltd.	Range Resources Ltd
Buffalo Lake Advanced Biofuels LLC	South Pacific Resources Ltd
Car Charging Group Inc.	Stanford International Bank Ltd
China Cablecom	Sun Resources
Citation Resources Ltd	Total Asset Recovery Services LLC
Cleveland Mining Company Ltd	Urgen Pharmaceuticals Inc.
Cokal Limited	Valley Forge
Copper Rider LLC	Vistagen Therapeutics
Daybreak Oil and Gas	Wexford Petroleum
Desert Hawk Gold Corp	Wohl & Fruchter LP
Dorsavi Ltd	Xcell Energy & Coal Mining Company LLC
Echo Therapeutics Inc	
Greehey & Company Ltd	
Greentown Oil Company LLC	

Additional Entities Under Addendum

Activelight
ARS
Banyon
Carbon Credits
Decision Diagnostics Corp
Diamed Partners
Environmental Service Professionals
Freedom Well Services LLC
Grey K Environmental Fund LP
Judah Perlestein
Martin Kenney & Co. BVI Lawyers
MMP Resources Ltd
Nisayon International Inc.
NordAq Energy Inc.
Over Everything LLC
Pedevco Corp
Policies Purchased - Tom Martin
PPVA Loan
Premium Finance - Claus Scheffing
Pro Master Group
Pro Player Athletes
Proteus Energy
Reed Smith LLP
Rolling Acres, Stamford
Santa Maria Energy Holdings

EXHIBIT 2

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-v- :

PLATINUM MANAGEMENT (NY) LLC; :

PLATINUM CREDIT MANAGEMENT, L.P.; :

MARK NORDLICHT; :

DAVID LEVY; :

DANIEL SMAI; :

URI LANDESMAN; :

JOSEPH MANN; :

JOSEPH SANFILIPPO; and :

JEFFREY SHULSE, :

Defendants. :

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No. 16-cv-6848 (DLI)(VMS)

**[PROPOSED] ORDER AUTHORIZING RECEIVER
TO RETAIN AND PAY HOULIHAN LOKEY FINANCIAL ADVISORS, INC.**

Upon (i) the prior Receiver’s letter application dated March 23, 2017, Dkt. No. 111 (the “*Application*”); (ii) the Declaration of Robert P Rittreiser, dated March 22, 2017 attached thereto as Exhibit 1; (iii) the Houlihan Lokey Financial Advisors, Inc. (“*Houlihan*”) retention agreement attached thereto as Exhibit 2 (the “*Agreement*”); (iv) the August 8, 2017 Notice of Adoption of, and Addendum to, Application to Retain Houlihan Lokey Financial Advisors, Inc., Dkt. No. 236 (the “*Notice*”); (v) the Declaration of Melanie L. Cyganowski as Receiver (“*Receiver*”) in Support of the Notice (“*Rec’s Decl.*”); and (vi) the letter addendum to the Agreement attached thereto as Exhibit A (the “*Addendum*”);

NOW, THEREFORE after due deliberation and sufficient cause appearing therefore, and no objection to the relief requested having been raised, or all such objections having been overruled, it is hereby:

ORDERED that the relief sought by the Application and Notice are granted, and pursuant to the Application and the Notice, the Receiver is authorized to retain Houlihan, effective *nunc tunc* to December 19, 2016 in accordance with the terms of the Agreement and the Addendum; and it is further

ORDERED that the Receiver may make the payments to Houlihan set forth in her Declaration and in the Notice, and may make such other future payments as provided for in the Agreement and the Addendum without further Order of this Court, provided however, that the Receiver will not make payment under the Agreement's indemnity provision without prior approval from this Court, and the Receiver will include payments to Houlihan as part of her quarterly reports to this Court.

Dated: Brooklyn, New York
August __, 2017

SO ORDERED:

THE HON. DORA LIZETTE IRIZARRY
CHIEF UNITED STATES DISTRICT JUDGE
EASTERN DISTRICT OF NEW YORK