

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-v- :

No. 16-cv-6848 (DLI)

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. :  
-----X

**NOTICE OF MOTION TO EXPAND RECEIVERSHIP ESTATE**

PLEASE TAKE NOTICE that, upon the accompanying Declaration of Melanie L. Cyganowski, as Receiver duly appointed by the Court (the “*Receiver*”) for 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. (collectively, the “*Receivership Entities*”), the Receiver moves before the Honorable Brian M. Cogan, United States District Judge for the United States District Court for the Eastern District of New York, located at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, New York 11201, for an order expanding the receivership estate to add Platinum Partners Liquid Opportunity Master Fund L.P. , Platinum Partners Credit

Opportunities Fund International Ltd, and Platinum Partners Credit Opportunities Fund International (A) Ltd to the Receivership Entities under the control of the Receiver and supervision of the Court (the "*Motion*").

**PLEASE TAKE FURTHER NOTICE** that any opposition to the Motion must be (i) made in writing; (ii) if by a party, electronically filed with the District Court; (iii) if by a non-party, electronically mailed to the Receiver, at her e-mail address, [platinumreceiver@otterbourg.com](mailto:platinumreceiver@otterbourg.com), so as to be actually received no later than December 28, 2017.

**PLEASE TAKE FURTHER NOTICE** that, in the absence of any timely filed or served written opposition, the Court may grant the relief requested in the Motion, without further hearing or notice.

Dated: December 14, 2017

OTTERBOURG P.C.

By: /s/Adam C. Silverstein  
Adam C. Silverstein  
A Member of the Firm  
230 Park Avenue  
New York, New York 10169  
Tel.: (212) 661-9100  
Fax: (212) 682-6104  
asilverstein@otterbourg.com

*Attorneys for Melanie L. Cyganowski, as Receiver*

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
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. :  
-----X

No. 16-cv-6848 (BMC)

DECLARATION OF MELANIE L. CYGANOWSKI,  
IN SUPPORT OF MOTION FOR AN ORDER ADDING  
ENTITIES INTO THE RECEIVERSHIP

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:

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”). I submit this declaration in support of my motion to expand the scope of the receivership to add additional entities to the Receivership Entities under my control and the supervision of the Court (the “Expansion Motion”).

The current Receivership Entities are members of two groups of Platinum funds: the Platinum Partners Credit Opportunities group of funds (the “*PPCO Fund Group*”)<sup>1</sup> and the Platinum Partners Liquid Opportunity group of funds (the “*PPLO Fund Group*”).<sup>2</sup> A third group of Platinum funds – the Platinum Partners Value Arbitrage group of funds (the “*PPVA Fund Group*”)<sup>3</sup> is in liquidation before the Grand Court of the Cayman Islands under the supervision of court-appointed liquidators.

Each of the PPCO, PPLO and PPVA Fund Groups includes a master fund, feeder funds, and management entities. The following entities in, respectively, the PPCO Fund Group and the PPLO Fund Group are currently *not* in the receivership estate (the “*Non-Receivership PPCO/PPLO Entities*”):

(a) PPCO Fund Group:

- (i) Platinum Partners Credit Opportunities Fund International Ltd
- (ii) Platinum Partners Credit Opportunities Fund International (A) Ltd
- (iii) Platinum Credit Management LLC
- (iv) Platinum Credit Holdings LLC

(b) PPLO Fund Group:

- (i) Platinum Liquid Opportunity GP LLC
- (ii) Platinum Partners Liquid Opportunity Fund (International) Ltd.
- (iii) Platinum Partners Liquid Opportunity Intermediate Fund L.P.
- (iv) Platinum Partners Liquid Opportunity Master Fund L.P.

---

<sup>1</sup> Platinum Credit Partners Credit Opportunities Master Fund L.P., Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, and Platinum Partners Credit Opportunity Fund (BL) LLC.

<sup>2</sup> Platinum Liquid Opportunity Management (NY) LLC and Platinum Partners Liquid Opportunity Fund (USA) L.P.

<sup>3</sup> The PPVA Master Fund, Platinum Partners Value Arbitrage Fund (International) Limited, Platinum Partners Value Arbitrage Intermediate Fund Ltd., and the PPVA Onshore Feeder Fund.

The prior Receiver, Bart M. Schwartz, Esq. (the “*Prior Receiver*”), filed a motion seeking to have each of the foregoing Non-Receivership PPCO/PPLO Entities, plus the umbrella management company, Platinum Management (NY) LLC (“*PMNY*”), added to the Platinum receivership estate (the “*Receivership Estate*”) and to be a Receivership Entity [Dkt. No. 112] (the “*Prior Receiver’s Expansion Motion*”). Upon my appointment as Receiver, I undertook a review of all the pending applications, including the Prior Receiver’s Expansion Motion. Upon my initial review, I saw no urgent need to add any of the Non-Receivership PPCO/PPLO Entities or PMNY to the Receivership Estate. I also did not believe that the Prior Receiver’s Expansion Motion provided a sufficient explanation for why any of these entities should be added to the Receivership Estate. Accordingly, on August 15, 2017, I withdrew the Prior Receiver’s Expansion Motion, without prejudice to my requesting the same or similar relief at a later date. [Dkt. No. 240]

After withdrawing the Prior Receiver’s Expansion Motion, I continued to review with my advisors if the Receivership Estate should be expanded to include any additional entities. Among other things, I considered the assets and liabilities of each of the Non-Receivership PPCO/PPLO Entities and the relationship of each entity to the current Receivership Entities under my control. Following this review, I have concluded that it would be in the best interests of the Receivership Estate to include the following as Receivership Entities: (i) Platinum Partners Liquid Opportunity Master Fund L.P. (“*PPLO Master Fund*”); (ii) Platinum Partners Credit Opportunities Fund International Ltd (“*PPCO International*”); and (iii) Platinum Partners Credit Opportunities Fund International (A) Ltd (“*PPCO International A*” and, together with PPCO International, the “*PPCO International Funds*”).

PPLO Master Fund has formation documents consenting to the jurisdiction of federal or state courts located in the State of New York, County of New York, and is therefore subject to

this Court's jurisdiction. Upon information and belief, PPCO International and PPCO International A are both Cayman Island Exempted companies and Mark Nordlicht is the sole director of each. We have shared this application with Mr. Nordlicht's counsel, and have been informed that Mr. Nordlicht consents to the relief sought on behalf of these entities, thereby conferring this Court with jurisdiction over the entities.

*Basis for Inclusion of PPLO Master Fund*

The feeder fund of the PPLO Master Fund -- Platinum Partners Liquid Opportunity Fund (USA) L.P. (the "*PPLO Feeder Fund*") -- is a Receivership Entity under my control. However, the assets to which creditors of the PPLO Feeder Fund may be entitled to distribution are held by the PPLO Master Fund. Bringing the PPLO Master Fund into the Receivership Estate, therefore, will establish my control over *both* the investor claims and the assets of the PPLO Fund Group.

There is currently \$1.6 million of cash on the balance sheet of the PPLO Master Fund. The PPLO Master Fund also owns securities with a potential value of in excess of \$1.5 million that may be monetized. These assets have been included in the cash accounts of the Receivership Estate, given the inclusion of the PPLO Feeder Fund in the Receivership Estate, even though the PPLO Master Fund has not (yet) been ordered a Receivership Entity. Adding the PPLO Master Fund to the Receivership Estate will confirm the Receiver's control of all assets in the PPLO Fund Group and match investor claims with fund assets.

The PPLO Master Fund does have some creditors known to the Receiver. Daniel Small won an arbitration award against the PPLO Master Fund for past due trader fees. The PPLO Master Fund's share of liability on the award is uncertain at this time. There may be additional claims from creditors and employees for past due trader fees. There is also a risk that this entity could be subject to an involuntary liquidation in the Cayman Islands.

In a settlement (the “*Black Elk Settlement*”) with the Litigation Trustee of Black Elk Energy Offshore Operations, LLC (the “*Black Elk Trustee*”), the Prior Receiver also agreed to provide an allowed \$5 million claim to the Black Elk Trustee in the event that the PPLO Master Fund were added to the Receivership Entities by a date certain; although the date certain has expired, the Receiver has concluded that it is consistent with the intent of the parties and is in the best interests of the estate to avoid the expense and risk of litigation, nevertheless to reach an agreement honoring the Prior Receiver’s agreement, as if the PPLO Master Fund were timely brought into the Receivership Estate. Pursuant to the Black Elk Settlement, the Black Elk Trustee was granted two claims against the Receivership Estate: (i) a \$24.6 million allowed claim against Platinum Partners Credit Opportunities Master Fund LP (a Receivership Entity) and (ii) a \$5 million claim in the Receivership case<sup>4</sup> if the PPLO Master Fund is added to the Receivership Estate. I have undertaken my analysis of including the PPLO Master Fund in the Receivership Estate in the expectation that, if the fund is added, the Black Elk Settlement’s provision of a \$5 million claim against the Receivership Estate would be honored in accordance with the terms previously agreed to in the Black Elk Settlement.

By placing the PPLO Master Fund into the Receivership Estate, I will be able to control the use and disposition of the \$1.6 million of cash and the remaining assets of the PPLO Master Fund. If I were to lose control of the PPLO Master Fund, the investors in the PPLO Feeder Fund under my control may not have a source of recovery on their claims.

*Basis for Inclusion of PPCO International Fund and PPCO International Fund A*

The PPCO International Funds are Cayman Islands feeder funds. The only assets that the PPCO International Funds hold is an investment in Platinum Partners Credit Opportunity Fund

---

<sup>4</sup> The Black Elk Trustee preserved the right in the Black Elk Settlement to argue that any liquidation plan consolidate the Receivership Entities for distribution purpose or permit payment of their claims from the assets of one or more particular Receivership Entities.

(BL) LLC (“*PPCO BL*”), which in turn has an investment in Platinum Partners Credit Opportunities Master Fund LP (“*PPCO Master Fund*”). Both *PPCO BL* and *PPCO Master Fund* are Receivership Entities.

The *PPCO International Funds* have investors who currently have no fiduciary with whom to communicate regarding the status of their investments and who may potentially have no recourse for their investor claims if the *PPCO International Funds* are not brought into the Receivership Estate. By including the *PPCO International Funds* in the Receivership Estate, all the investors of *PPCO* will be brought under the umbrella and protection of the Receivership Estate under my supervision. There is little to no administrative costs or liability to bringing these entities into the receivership. These entities incur minor operating expenses and have insignificant past due liabilities to professionals that are not currently being utilized by the *PPCO International Funds*.

#### CONCLUSION

I believe that it is in the best interests of Platinum creditors and investors for the administration and distribution of *PPCO* and *PPLO Fund Group* assets to be conducted orderly and equitably, and adding the *PPLO Master Fund*, *PPCO International* and *PPCO International A* as Receivership Entities under my control and the supervision of this Court will enable such orderly and equitable administration and distribution to occur.

I have spoken with the SEC Staff about the proposed relief, and they do not object to the inclusion of the *PPLO Master Fund*, the *PPCO International Fund*, and the *PPCO International Fund A* into the Receivership.

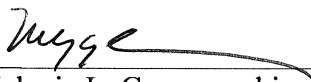
For the foregoing reasons, I respectfully request that the Court place the *PPLO Master Fund*, *PPCO International* and *PPCO International A* into receivership. I am not requesting that



any other entities be added to the Receivership Estate at this time, although I reserve the right to later seek their inclusion.

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

Executed this 14th day of December, 2017, at New York, New York.

  
\_\_\_\_\_  
Melanie L. Cyganowski

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

-----X  
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-v- :

No. 16-cv-6848 (DLI)

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. :  
-----X

**[PROPOSED] ORDER APPROVING EXPANSION OF RECEIVERSHIP**

Upon the motion (the “*Motion*”) of Melanie L. Cyganowski, Court-appointed receiver (the “*Receiver*”), for an order expanding the receivership estate to include Platinum Partners Liquid Opportunity Master Fund L.P., Platinum Partners Credit Opportunities Fund International Ltd, and Platinum Partners Credit Opportunities Fund International (A) Ltd; and as Receivership Entities under the control of the Receiver and supervision of the Court, and upon consideration of the Declaration of Melanie L. Cyganowski, as Receiver, dated December 14, 2017 (the “*Declaration*”), and it appearing that, based on the Declaration, the relief requested in the Motion is warranted.

**NOW, THEREFORE**, after due deliberation and sufficient cause appearing therefor, and no objection to the Motion having been raised or any such objection(s) having been overruled, it is hereby:

**ORDERED** that the Motion is granted and that Platinum Partners Liquid Opportunity Master Fund L.P, Platinum Partners Credit Opportunities Fund International Ltd, and Platinum Partners Credit Opportunities Fund International (A) Ltd. shall be added as a Receivership Entities under the control of the Receiver and the supervision of this Court in accordance with the provisions of the Second Amended Order Appointing Receiver, dated October 16, 2017, as may be amended; and it is further

**ORDERED** that the Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: Brooklyn, New York  
\_\_\_\_\_, 2017

---

**Judge Brian M. Cogan**  
**United States District Court Judge**