

**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 (BMC)

**SECURITIES AND EXCHANGE COMMISSION’S STATEMENT IN SUPPORT OF
RECEIVER’S MOTION FOR ENTRY OF AN ORDER APPROVING THE SALE OF THE
RECEIVERSHIP’S RIGHTS IN AND TO A GOLD TAILINGS POND KNOWN AS
“ABDALA” AND AUTHORIZING HER TO PAY THE FEES AND EXPENSES OF
PLATINUM’S BRAZILIAN COUNSEL**

The Securities and Exchange Commission (“SEC”), submits this statement in support of the Receiver’s July 27, 2018 Motion for an order approving the sale of the Receivership’s rights in the gold tailings pond known as “Abdala” and authorizing her to pay the fees and expenses of Platinum’s Brazilian counsel (the “Abdala Motion”).

As set forth in the declaration of the Receiver, Melanie L. Cyganowski, the Abdala project has been the subject of intense interest, both from investors and from the Initial Receiver, since inception of this case. The proposed sale, which is the product of approximately eight months of marketing efforts, will bring in approximately \$27-\$30mm, and potentially more in the form of future royalties, balances the Receivership’s goal of maximizing the sale price of its

assets against the risks of holding onto potentially risky investments.

Here, the purchaser will assume the risk that Abdala will not generate sufficient gold to become profitable, while at the same time the Receivership will share in any upside in the event that it is profitable. In addition, the upfront payment of \$27.5 million results in a positive return on Platinum's invested capital in the project. Accordingly, the SEC believes that the proposed sale is in the best interests of the Receivership estate and should be approved.

Dated: New York, New York
July 31, 2018

SECURITIES AND EXCHANGE COMMISSION

By: /s/Neal Jacobson
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