

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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IN RE PLATINUM-BEECHWOOD LITIGATION : Case No. 18-cv-6658 (JSR)

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MELANIE L. CYGANOWSKI, as Equity Receiver :  
for PLATINUM PARTNERS CREDIT : Case No. 18-cv-12018 (JSR)  
OPPORTUNITIES MASTER FUND LP, *et al.*, :

Plaintiffs, :

v. :

BEECHWOOD RE LTD., *et al.*, :

Defendants. :

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SENIOR HEALTH INSURANCE COMPANY OF :  
PENNSYLVANIA, :

Third-Party Plaintiff, :

v. :

PB INVESTMENT HOLDINGS LTD., *et al.*, :

Third-Party Defendants. :

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**ANSWER OF THIRD-PARTY DEFENDANTS WHITESTAR LLC, WHITESTAR LLC II, AND WHITESTAR LLC III TO THE AMENDED THIRD-PARTY COMPLAINT OF SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA**

Third-Party Defendants Whitestar LLC, Whitestar LLC II, and Whitestar LLC III (collectively, the “Whitestar Entities”), answer the Amended Third-Party Complaint (“TPC,” ECF No. 382) of Senior Health Insurance Company of Pennsylvania (“SHIP”), pursuant to Federal Rule of Civil Procedure 8(b)(iii), that the vast majority of the allegations in the TPC are

directed to entities or individuals other than the Whitestar Entities and therefore require no response by the Whitestar Entities. To the extent any response is required to the allegations in the TPC that do not reference the Whitestar Entities, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations. With respect to the allegations in the TPC that reference the Whitestar Entities by name or by reference to a group of Defendants in which the Whitestar Entities are included (i.e., the “BRILLC Series Members”), the Whitestar Entities answer as follows:

**AS TO PARAGRAPH 30**

Certain allegations in Paragraph 30 of the TPC pertain to individuals and/or entities other than the Whitestar Entities and therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to the allegations in Paragraph 30 pertaining to the Whitestar Entities, they deny those allegations except admit that Whitestar LLC owns and controls BRILLC Series F and is itself owned by Naomi Bodner and Laura Huberfeld; Whitestar LLC II owns and controls BRILLC Series G and is itself owned by Naomi Bodner and Laura Huberfeld; and Whitestar LLC III owns and controls BRILLC Series H and is itself owned by Naomi Bodner and Laura Huberfeld.

**AS TO PARAGRAPH 31**

Certain allegations in Paragraph 31 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, namely the BRILLC Series Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those

allegations, and therefore deny the allegations. With respect to allegations in Paragraph 31 of the TPC pertaining to the BRILLC Series Members (which include the Whitestar Entities), the Whitestar Entities deny those allegations.

**AS TO PARAGRAPH 89**

Certain allegations in Paragraph 89 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 89 of the TPC pertaining to the BRILLC Series Members (which include the Whitestar Entities), the Whitestar Entities deny those allegations.

**AS TO PARAGRAPH 96**

Certain allegations in Paragraph 96 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 96 of the TPC pertaining to the BRILLC Series Members (which include the Whitestar Entities), the Whitestar Entities deny those allegations.

**AS TO PARAGRAPH 381**

The allegations in Paragraph 381 of the TPC pertain to both the BRILLC Series Entities, which do not include the Whitestar Entities, and the BRILLC Series Members, which do.

Accordingly, the Whitestar Entities respond only with respect to allegations directed at them (as three of the BRILLC Series Members) and deny those allegations.

**AS TO PARAGRAPH 413**

Certain allegations in Paragraph 413 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 413 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 422**

Certain allegations in Paragraph 422 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 422 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 429**

The Whitestar Entities incorporate their responses, as applicable, to Paragraphs 1-428 of the TPC as if fully incorporated herein.

**AS TO PARAGRAPH 430**

Certain allegations in Paragraph 430 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 430 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 431**

Certain allegations in Paragraph 431 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 431 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them except admit that the Whitestar Entities were owned by family members of Bodner and Huberfeld.

**AS TO PARAGRAPH 432**

Certain allegations in Paragraph 432 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 432 of the TPC pertaining to the

BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 433**

Certain allegations in Paragraph 433 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 433 of the TPC pertaining to the BRILLC Series Members (which include the Whitestar Entities), the Whitestar Entities admit that they engaged in a transaction through which they conveyed their interest in BBL to the Taylor-Lau Family 2016 ACQ Trust and Feuer Family 2016 ACQ Trust in exchange for a promissory note.

**AS TO PARAGRAPH 434**

Certain allegations in Paragraph 434 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 434 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities respectfully refer the Court to the terms of the promissory notes referenced therein for the contents and terms of those notes, and deny any allegations inconsistent with those terms.

**AS TO PARAGRAPH 435**

The Whitestar Entities deny the allegations in Paragraph 435 of the TPC.

**AS TO PARAGRAPH 436**

Certain allegations in Paragraph 436 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 436 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 437**

Certain allegations in Paragraph 437 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 437 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 438**

Certain allegations in Paragraph 438 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 438 of the TPC pertaining to the

BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 439**

The Whitestar Entities incorporate their responses, as applicable, to Paragraphs 1-438 of the TPC as if fully incorporated herein.

**AS TO PARAGRAPH 440**

The allegations in Paragraph 440 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations.

**AS TO PARAGRAPH 441**

Certain allegations in Paragraph 441 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 441 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 442**

Certain allegations in Paragraph 442 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or



information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 442 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 443**

Certain allegations in Paragraph 443 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 443 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO PARAGRAPH 444**

Certain allegations in Paragraph 444 of the TPC pertain to individuals and/or entities other than the Whitestar Entities, and which therefore require no response by the Whitestar Entities. To the extent any response is required, the Whitestar Entities lack knowledge or information sufficient to form a belief as to the truth or falsity of those allegations, and therefore deny the allegations. With respect to allegations in Paragraph 444 of the TPC pertaining to the BRILLC Series Members, the Whitestar Entities deny those allegations to the extent they pertain to them.

**AS TO COUNT ONE**

Count One of the TPC is not directed towards the Whitestar Entities and therefore requires no response by them. To the extent a response is required, the Whitestar Entities lack

knowledge or information sufficient for form a belief as to the truth or falsity of the allegations in Count One, and therefore denies those allegations.

**AS TO COUNT TWO**

Count Two of the TPC is not directed towards the Whitestar Entities and therefore requires no response by them. To the extent a response is required, the Whitestar Entities lack knowledge or information sufficient for form a belief as to the truth or falsity of the allegations in Count Two, and therefore denies those allegations.

**AS TO COUNT THREE**

The Whitestar Entities deny that they aided or abetted any fraud and deny the specific allegations in Count Three of the TPC, except as noted above with respect to particular paragraphs included in Count Three.

**AS TO COUNT FOUR**

The Whitestar Entities deny that they aided or abetted any breach of fiduciary duty and deny the specific allegations in Count Four of the TPC, except as noted above with respect to particular paragraphs included in Count Four.

**AS TO COUNT FIVE**

Pursuant to the Court's August 19, 2019 Short Order, Count Five of the TPC has been dismissed against the Whitestar Entities, which therefore do not need to respond to the allegations in Count Five.

**AS TO COUNT SIX**

Count Six of the TPC is not directed towards the Whitestar Entities and therefore requires no response by them. To the extent a response is required, the Whitestar Entities lack knowledge

or information sufficient for form a belief as to the truth or falsity of the allegations in Count Six, and therefore denies those allegations.

**AS TO COUNT SEVEN**

Pursuant to the Court's August 19, 2019 Short Order, Count Seven of the TPC has been dismissed against the Whitestar Entities, which therefore do not need to respond to the allegations in Count Seven.

**AS TO COUNT EIGHT**

Count Eight of the TPC is not directed towards the Whitestar Entities and therefore requires no response by them. To the extent a response is required, the Whitestar Entities lack knowledge or information sufficient for form a belief as to the truth or falsity of the allegations in Count Eight, and therefore denies those allegations.

**AFFIRMATIVE DEFENSES OF THE WHITESTAR ENTITIES**

The Whitestar Entities set forth their affirmative defenses below. Those affirmative defenses are asserted as to all operative claims against the Whitestar Entities. By setting forth their affirmative defenses, the Whitestar Entities do not assume the burden of proving any fact, issue, or element of a claim where such burden properly belongs to SHIP.

*First Affirmative Defense – Failure to State a Claim*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, due to failure to state a claim upon which relief may be granted.

*Second Affirmative Defense – Statute of Limitations*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, by applicable statutes of limitations.

*Third Affirmative Defense – Release or Discharge*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, because they have been released, discharged, compromised, or settled.

*Fourth Affirmative Defense – Damages Caused by Third-Parties*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, because any damages SHIP claims it incurred resulted from acts or omissions of parties other than the Whitestar Entities.

*Fifth Affirmative Defense – Good Faith*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, because the Whitestar Entities acted in good faith with respect to SHIP and did not breach any legal duty owed to SHIP.

*Sixth Affirmative Defense – Unclean Hands*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, by SHIP's own tortious conduct.

*Seventh Affirmative Defense – Waiver*

SHIP's claims against the Whitestar Entities are barred, in whole or in part, because SHIP waived the right to bring such claims.

Dated: September 13, 2019  
New York, New York

Respectfully Submitted,  
**WIGGIN AND DANA LLP**

*/s/ Paul A. Tuchmann*

Paul A. Tuchmann  
Brett M. Collings  
437 Madison Avenue, 35<sup>th</sup> Floor  
New York, New York 10022  
Telephone: 212-551-2600  
Facsimile: 212-551-2888

*Counsel for Third-Party Defendants  
Whitestar LLC, Whitestar LLC II, and  
Whitestar LLC III*