

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

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 IN RE PLATINUM-BEECHWOOD LITIGATION : Master Case No. 1:18-cv-06658 (JSR)  
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 MELANIE L. CYGANOWSKI, AS RECEIVER, BY :  
 AND FOR PLATINUM PARTNERS CREDIT : Case No. 1:18-cv-12018 (JSR)  
 OPPORTUNITIES MASTER FUND LP, PLATINUM:  
 PARTNERS CREDIT OPPORTUNITIES FUND (TE):  
 LLC, PLATINUM PARTNERS CREDIT : **THE BEECHWOOD PARTIES’**  
 OPPORTUNITIES FUND LLC, PLATINUM : **ANSWER TO SHIP’S CROSS-**  
 PARTNERS CREDIT OPPORTUNITIES FUND : **CLAIMS AND THIRD PARTY**  
 INTERNATIONAL LTD., PLATINUM PARTNERS : **COMPLAINT**  
 CREDIT OPPORTUNITIES FUND :  
 INTERNATIONAL (A) LTD., and PLATINUM :  
 PARTNERS CREDIT OPPORTUNITIES FUND (BL):  
 LLC, : **JURY TRIAL DEMANDED**  
 Plaintiffs, :  
 v. :  
 BEECHWOOD RE LTD., et al., :  
 Defendants. :  
 -----:

SENIOR HEALTH INSURANCE  
 COMPANY OF PENNSYLVANIA,  
 Crossclaimant,  
 v.  
 BEECHWOOD RE LTD., et al.,  
 Crossclaim Defendants.

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 SENIOR HEALTH INSURANCE  
 COMPANY OF PENNSYLVANIA,  
 Third-Party Plaintiff,  
 v.  
 PB INVESTMENT HOLDINGS LTD., .et al.,  
 Crossclaim Defendants.  
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Crossclaim Defendants Beechwood Re Ltd.,<sup>1</sup> B Asset Manager LP, B Asset Manager II LP, and Beechwood Bermuda International, Ltd., and Third-Party Defendants Mark Feuer and Samuel Adler as Trustees for Beechwood Global Distribution Trust, Brad Shalit as Trustee for Feuer Family 2016 Acq Trust, and Brad Shalit as Trustee for Taylor-Lau Family 2016 Acq Trust (together, the “Beechwood Parties”), hereby respond to the Crossclaims and Third Party Complaint (“Crossclaims”) of Senior Health Insurance Company Of Pennsylvania (“SHIP”), as follows:

1-5. Deny the allegations in Paragraphs 1-5 of the Crossclaims.

6. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 6 of the Crossclaims, except admit that in 2014 and 2015 SHIP entered into three Investment Management Agreements with Beechwood Bermuda International Ltd., Beechwood Re Ltd., and B Asset Manager LP, and refer to the referenced documents for their true and complete content.

7-10. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 7-10 of the Crossclaims.

11. Admit that Beechwood Re was a stock life reinsurance company domiciled in the Cayman Islands, refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 11 of the Crossclaims.

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<sup>1</sup> On July 23, 2019, the United States Bankruptcy Court for the Southern District of New York, on July 23, 2019 entered an order in the matter of *In Re Beechwood Re*, Case No. 19-11560 (MG) staying all actions against Beechwood Re pursuant to Sections 1520 and 362(a) of the Bankruptcy Code. Such order was entered on July 26, 2019. In light of that, no answer is required of Beechwood Re at this time. To the extent a response to the allegations involving Beechwood Re is necessary, the Beechwood Parties deny all such allegations except to the extent expressly admitted below.

12. State that no response is required for Paragraph 12 of the Crossclaims because Beechwood Holdings has been dismissed from the Crossclaims.

13. Admit that BBIL was a reinsurance company domiciled in Bermuda, refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 13 of the Crossclaims.

14. State that no response is required for Paragraph 14 of the Crossclaims because BBL has been dismissed from the Crossclaims.

15. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 15 of the Crossclaims.

16. Admit that BAM I was a Delaware limited liability company with its principal place of business in New York, New York, refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 16 of the Crossclaims.

17. Admit that BAM II was a Delaware limited liability company with its principal place of business in New York, New York, that BAM II, in conjunction with BAM I, served as an investment advisor for other Beechwood Entities, that in certain transactions between SHIP and Beechwood entities, BAM II served as the investment advisor to the Beechwood Entity and BAM I served as investment advisor to SHIP, refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 17 of the Crossclaims.

18. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 18 of the Crossclaims.

19. State that no response is required for Paragraph 19 of the Crossclaims because BAM GP has been dismissed from the Crossclaims.

20. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 20 of the Crossclaims.

21. State that no response is required for Paragraph 21 of the Crossclaims because MSD Administrative has been dismissed from the Crossclaims.

22-26. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 22-26 of the Crossclaims.

27. State that no response is required for Paragraph 27 of the Crossclaims because Feuer Family Trust has been dismissed from the Crossclaims.

28. State that no response is required for Paragraph 28 of the Crossclaims because Taylor-Lau Family Trust has been dismissed from the Crossclaims.

29-32. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 29-32 of the Crossclaims.

33. State that no response is required for Paragraph 33 of the Crossclaims because N Management has been dismissed from the Crossclaims.

34. Deny the allegations in Paragraph 34 of the Crossclaims and refer to the transaction documents for the referenced transactions for their true and complete content.

35-49. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 35-49 of the Crossclaims.

50-51. State that Paragraphs 50-51 of the Crossclaims assert legal conclusions to which no response is required.

52-62 Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 52-62 of the Crossclaims, except refer to the referenced documents for their true and complete content.

63-64. Deny the allegations in Paragraphs 63-64 of the Crossclaims, except refer to the referenced document for its true and complete content.

65-74 Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 65-74 of the Crossclaims, except refer to the referenced documents for their true and complete content.

75-84. Deny the allegations in Paragraphs 75-84 of the Crossclaims, except refer to the referenced document for its true and complete content.

85-90 Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 85-90 of the Crossclaims, except refer to the referenced documents for their true and complete content.

91. Admit that SHIP signed an IMA with Beechwood Re, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 91 of the Crossclaims.

92. Admit that SHIP signed an IMA with BBIL, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 92 of the Crossclaims.

93. Deny the allegations in Paragraph 93 of the Crossclaims.

94. Admit that BAM I and BAM II were partially owned at certain times by trusts known as the Beechwood Asset Management Trust I and Beechwood Asset Management Trust II and entities known as B Asset Manager GP LLC and B Asset Manager GP LLC, refer

to the formation and ownership documents of those entities for their true and complete content, and otherwise deny the allegations in Paragraph 94 of the Crossclaims

95-96 Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 95-96 of the Crossclaims.

97. Deny the allegations in Paragraph 97 of the Crossclaims, except admit that BRILLC capitalized the Beechwood entities, including Beechwood Re and BBL, through a series of demand notes that were backed by capital valued in excess of \$100 million.

98-104. Deny the allegations in Paragraphs 98-104 of the Crossclaims, except refer to the referenced documents for their true and complete content.

105. Admit the allegations in Paragraph 105 of the Crossclaims.

106. Admit that Beechwood Re and BBIL entered into Investment Management Agreements with BAM, refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 106 of the Crossclaims.

107. Admit that BAM served as the investment arm for Beechwood Re and BBIL, that in 2014, Levy served as BAM's Chief Financial Officer and CIO, that Daniel Saks later served as BAM's CIO, and otherwise deny the allegations in Paragraph 107 of the Crossclaims.

108-116. Deny the allegations in Paragraphs 108-116 of the Crossclaims, except refer to the referenced documents for their true and complete content.

117-118. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 117-118 of the Crossclaims.

119-120. Deny the allegations in Paragraphs 119-120 of the Crossclaims, except refer to the referenced documents for their true and complete content.

121. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 121 of the Crossclaims.

122. Admit that Saks served as chief investment officer and president of BAM, that Manela provided consulting services to BAM, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 122 of the Crossclaims.

123. Admit that Narain served as chief investment officer of BAM, that Illumin was engaged by BAM, that during his time as CIO, Narain was responsible for the management of SHIP's IMA investments, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 123 of the Crossclaims.

124-127. Deny the allegations in Paragraphs 124-127 of the Crossclaims.

128. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 128 of the Crossclaims.

129. Admit the allegations in Paragraph 129 of the Crossclaims.

130-131. Deny the allegations in Paragraphs 130-131 of the Crossclaims.

132. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 132 of the Crossclaims.

133. Deny the allegations in Paragraph 133 of the Crossclaims.

134-136. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 134-136 of the Crossclaims.

137-141. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 137-141 of the Crossclaims.

142. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 142 of the Crossclaims.

143-145. Deny the allegations in Paragraphs 143-145 of the Crossclaims, except refer to the referenced documents for their true and complete content.

146-149. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 146-149 of the Crossclaims.

150-151. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 150-151 of the Crossclaims.

152. Deny the allegations in Paragraph 152 of the Crossclaims, except refer to the referenced documents for their true and complete content.

153-160. Deny the allegations in Paragraphs 153-160 of the Crossclaims.

161. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 161 of the Crossclaims.

162. Admit that SHIP entered into three Investment Management Agreements, refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 162 of the Crossclaims.

163-170. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 163-170 of the Crossclaims.

171. Admit that BBIL withdrew performance fees from the Wilmington Trust account, and otherwise deny the allegations in Paragraph 171 of the Crossclaims.



172-177. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 172-177 of the Crossclaims.

178. Deny the allegations in Paragraph 178 of the Crossclaims.

179. Admit that on June 26, 2014, \$9,900,000 was debited from the BBIL SHIP Account, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 179 of the Crossclaims.

180-182. Deny the allegations in Paragraphs 180-182 of the Crossclaims.

183-185. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 183-185 of the Crossclaims.

186. Admit that, in connection with the Beechwood Re IMA, SHIP deposited a total of \$80 million into a custody account at Wilmington Trust for investment by Beechwood Re on SHIP's behalf, in addition to the \$80 million invested pursuant to the BBIL IMA, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 186 of the Crossclaims.

187-190. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 187-190 of the Crossclaims.

191. Admit that Beechwood Re withdrew performance fees from the Beechwood Re Wilmington Trust account, and otherwise deny the allegations in Paragraph 191 of the Crossclaims.

192-194. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 192-194 of the Crossclaims.

195-196. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 195-196 of the Crossclaims.

197. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 197 of the Crossclaims.

198-199. Deny the allegations in Paragraphs 198-199 of the Crossclaims.

200-202. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 200-202 of the Crossclaims.

203. Admit that SHIP deposited a total of \$110 million into a custody account at Wilmington Trust to be managed by BAM under the BAM IMA, in addition to the \$160 million deposited pursuant to the other two IMAs, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 203 of the Crossclaims.

204-208. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 204-208 of the Crossclaims.

209. Admit that BAM withdrew performance fees from the Beechwood Re Wilmington Trust account, and otherwise deny the allegations in Paragraph 209 of the Crossclaims.

210-212. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 210-212 of the Crossclaims.

213-214. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 213-214 of the Crossclaims.

215-216. Deny the allegations in Paragraphs 215-216 of the Crossclaims.

217-230. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 217-230 of the Crossclaims.

231. Deny the allegations in Paragraph 231 of the Crossclaims.

232. Admit that SHIP deposited \$270 million under the IMAs, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 232 of the Crossclaims.

233-241. Deny the allegations in Paragraphs 233-241 of the Crossclaims.

242. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 242 of the Crossclaims.

243-249. Deny the allegations in Paragraphs 243-249 of the Crossclaims.

250. Admit that funds deposited in the BAM IMA account were used to acquire, on SHIP's behalf, an unsecured term note issued by Montsant in the principal amount of \$35,500,000.

251-253. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 251-253 of the Crossclaims.

254-255. Deny the allegations in Paragraphs 254-255 of the Crossclaims.

256. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 256 of the Crossclaims.

257-267. Deny the allegations in Paragraphs 257-258 of the Crossclaims, except admit that funds deposited in the BAM IMA account were used to acquire, on SHIP's behalf, debt interests in an entity known as PEDEVCO Corp., and refer to the referenced documents for their true and complete content

268. Deny the allegations in Paragraph 268 of the Crossclaims.

269-273. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 269-273 of the Crossclaims.

274. Deny the allegations in Paragraph 274 of the Crossclaims, except admit that on June 18, 2014, Beechwood-related entities, including Beechwood Re, acquired \$51.9 million of senior secured debt issued by Agera Energy.

275. Admit that the transaction was reported on SHIP's IMA account statements as a \$30 million secured term note issued by Agera Energy at 14% interest, that SHIP's principal was repaid by December 2014, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 275 of the Crossclaims.

276. Deny the allegations in Paragraph 276 of the Crossclaims.

277. Admit that BAM caused SHIP to loan \$14 million to Agera Energy to fund its purchase of Energy.me LLC and Lumens Energy Group, LLC and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 277 of the Crossclaims.

278. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 278 of the Crossclaims.

279-284. Deny the allegations in Paragraphs 279-284 of the Crossclaims, except refer to the referenced documents for their true and complete content.

285-296. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 285-296 of the Crossclaims.

297. Deny the allegations in Paragraph 297 of the Crossclaims and refer to the transaction documents for the referenced transactions for their true and complete content.

298-306. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 298-306 of the Crossclaims.

307. Deny the allegations in Paragraph 307 of the Crossclaims.

308. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 308 of the Crossclaims.

309. Deny the allegations in Paragraph 309 of the Crossclaims.

310. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 310 of the Crossclaims, except admit that Beechwood caused SHIP to purchase 18,593.80 B-1 Units in AGH Parent from BBIL-ULICO.

311. Deny the allegations in Paragraph 311 of the Crossclaims.

312-315. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 312-315 of the Crossclaims and refer to the transaction documents for the referenced transactions for their true and complete content.

316. Deny the allegations in Paragraph 316 of the Crossclaims.

317. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 317 of the Crossclaims.

318. Admit that in or about June 2017, Beechwood entered into one or more transactions with affiliates of Eli Global/Global Bankers Insurance Group through which it sold its interests in various Beechwood entities, and otherwise deny the allegations in Paragraph 318 of the Crossclaims.

319-325. Deny the allegations in Paragraphs 319-325 of the Crossclaims.

326-333. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 326-333 of the Crossclaims.

334-335. Deny the allegations in Paragraphs 334-335 of the Crossclaims and refer to the referenced documents for their true and complete content.

336. Admit that investments made under the IMAs were reported to Wilmington Trust, and otherwise deny the allegations in Paragraph 336 of the Crossclaims.

337-346. Admit that Performance Fee withdrawals were taken from the BAM IMA account between April 2015 and July 2016, and otherwise deny the allegations in Paragraphs 337-346 of the Crossclaims and refer to the referenced documents for their true and complete content.

347. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 347 of the Crossclaims and refer to the referenced documents for their true and complete content.

348. Admit that on April 6, 2015, \$3,500,000 was withdrawn from the BAM IMA account, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 348 of the Crossclaims.

349. Deny the allegations in Paragraph 349 of the Crossclaims

350-353. Admit that Performance Fee were withdrawn under the Beechwood Re IMA, and otherwise deny the allegations in Paragraphs 350-353 of the Crossclaims.

354. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 354 of the Crossclaims and refer to the referenced documents for their true and complete content.

355. Admit that on July 17, 2015, \$2,100,000 was withdrawn from the Beechwood Re IMA account, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 355 of the Crossclaims.

356-357. Deny the allegations in Paragraphs 356-357 of the Crossclaims.

358. Admit that Performance Fee were withdrawn under the BBIL IMA, and otherwise deny the allegations in Paragraph 358 of the Crossclaims.

359. Deny the allegations in Paragraph 359 of the Crossclaims.

360. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 360 of the Crossclaims and refer to the referenced documents for their true and complete content.

361. Admit that on February 9, 2016, \$500,000 was withdrawn from the BBIL IMA account, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 361 of the Crossclaims.

362-367. Deny the allegations in Paragraphs 362-367 of the Crossclaims.

368-370. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 368-370 of the Crossclaims and refer to the referenced documents for their true and complete content.

371. Deny the allegations in Paragraph 371 of the Crossclaims.

372. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 372 of the Crossclaims and refer to the referenced documents for their true and complete content.

373. Deny the allegations in Paragraph 373 of the Crossclaims.

374-375. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 374-375 of the Crossclaims and refer to the referenced documents for their true and complete content.

376-377. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 376-377 of the Crossclaims and refer to the referenced documents for their true and complete content.

378. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 378 of the Crossclaims.

379. Deny the allegations in Paragraph 379 of the Crossclaims.

380-383. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 380-383 of the Crossclaims.

384. Deny the allegations in Paragraph 384 of the Crossclaims.

385. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 385 of the Crossclaims.

386-389. Deny the allegations in Paragraphs 386-389 of the Crossclaims and refer to the referenced documents for their true and complete content.

390. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 390 of the Crossclaims.



386-398. Deny the allegations in Paragraphs 386-398 of the Crossclaims and refer to the referenced documents for their true and complete content.

399. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 399 of the Crossclaims.

400. Admit that BBIL withdrew performance fees of \$11,118,981 on August 2, 2016, refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 400 of the Crossclaims.

401. Refer to the referenced documents for their true and complete content, and otherwise deny the allegations in Paragraph 401 of the Crossclaims.

402. Refer to the referenced documents for their true and complete content, and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 402 of the Crossclaims

403-405. Deny the allegations in Paragraphs 403-405 of the Crossclaims.

406. Deny knowledge or information sufficient to form a belief about the allegations in Paragraph 406 of the Crossclaims.

407-409. Deny the allegations in Paragraphs 407-409 of the Crossclaims.

410. Restate all of their responses to the allegations in Paragraphs 1-409 of the Crossclaims in response to Paragraph 410 of the Crossclaims.<sup>2</sup>

411-418. Deny the allegations in Paragraphs 411-418 of the Crossclaims.

419. Restate all of their responses to the allegations in Paragraphs 1-418 of the Crossclaims in response to Paragraph 419 of the Crossclaims.<sup>3</sup>

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<sup>2</sup> The responses to Paragraphs 410-418 of the Cross-Claims is only by BAM II.

<sup>3</sup> The responses to Paragraphs 419-428 of the Cross-Claims is only by BAM II.

420-428. Deny the allegations in Paragraphs 420-428 of the Crossclaims.

429. Restate all of their responses to the allegations in Paragraphs 1-428 of the Crossclaims in response to Paragraph 429 of the Crossclaims.<sup>4</sup>

430-438. Refer to the referenced documents for their true and complete content, refer to the transaction documents for the referenced transactions for their true and complete content, and otherwise deny the allegations in Paragraphs 430-438 of the Crossclaims.

439. Restate all of their responses to the allegations in Paragraphs 1-438 of the Crossclaims in response to Paragraph 439 of the Crossclaims.<sup>5</sup>

440-444. Deny the allegations in Paragraphs 440-444 of the Crossclaims.

445-453. State that no response is required to Paragraphs 445-453 of the Crossclaims.

454-460. State that no response is required to Paragraphs 454-460 of the Crossclaims.

461-466. State that no response is required to Paragraphs 461-466 of the Crossclaims.

467. Restate all of their responses to the allegations in Paragraphs 1-466 of the Crossclaims in response to Paragraph 467 of the Crossclaims.

468-471. State that Paragraphs 468-471 of the Crossclaims assert legal conclusions to which no response is required, and otherwise deny the allegations in Paragraphs 468-471 of the Crossclaims.

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<sup>4</sup> The responses to Paragraphs 429-438 of the Cross-Claims is only by the Trustees for the 2016 Acquisition Trusts.

<sup>5</sup> The responses to Paragraphs 439-444 of the Cross-Claims is only by the Trustees for the 2016 Acquisition Trusts.

## **AFFIRMATIVE DEFENSES**

As and for separate defenses to the Crossclaims, and without conceding that the Beechwood Parties bear the burden of proof or persuasion as to any of them, the Beechwood Parties assert as follows:

### **First Affirmative Defense**

1. The Crossclaims fail to state a claim against the Beechwood Parties upon which relief may be granted.

### **Second Affirmative Defense**

2. The claims in the Crossclaims are barred, in whole or in part, by the doctrine of *in pari delicto*.

### **Third Affirmative Defense**

3. SHIP's claims for relief are barred, in whole or in part, by its failure to mitigate damages.

### **Fourth Affirmative Defense**

4. SHIP's claims are barred, in whole or in part, because Plaintiff consented to and/or ratified the conduct alleged to have been wrongful in the Crossclaims.

### **Fifth Affirmative Defense**

5. SHIP's claims are barred, in whole or in part, by the doctrine of waiver.

### **Sixth Affirmative Defense**

6. SHIP's claims are barred, in whole or in part, by the doctrine of estoppel.

**Seventh Affirmative Defense**

7. SHIP's claims are barred, in whole or in part, by the doctrine of laches.

**Eighth Affirmative Defense**

8. SHIP's claims are barred, in whole or in part, by the doctrine of unclean hands.

**Ninth Affirmative Defense**

9. SHIP's damages are limited, in whole or in part, by the doctrine of setoff.

**Tenth Affirmative Defense**

10. SHIP's claims are barred, in whole or in part, by the applicable statute of limitations.

**Eleventh Affirmative Defense**

11. SHIP's declaratory judgment claim, and any request for injunctive or equitable relief, are barred, in whole or in part, because Plaintiffs have failed present a justiciable controversy between the parties and therefore the Court lacks jurisdiction to enter the declaratory relief sought.

**Twelfth Affirmative Defense**

12. SHIP's alleged damages, if any, are too speculative and too remote.

**Thirteenth Affirmative Defense**

13. SHIP's lacks standing to pursue their claims against the Beechwood Parties.

**Fourteenth Affirmative Defense**

14. SHIP's claims against the Beechwood Parties are barred, in whole or in part, based on the doctrines of assumption of the risk and/or culpable conduct on the part of the Plaintiffs, the parties whom Plaintiffs represent, and the parties in whose shoes Plaintiffs stand.

**Fifteenth Affirmative Defense**

15. The relief sought in the Crossclaims is barred, in whole or in part, because any loss or damage sustained by Plaintiffs was occasioned by the acts, omissions, and/or conduct of persons and/or entities over whom the Beechwood Parties exercise no control.

**Sixteenth Affirmative Defense**

16. SHIP's claims are barred, in whole or in part, because Plaintiffs were sophisticated investors.

**Reservation of Rights**

17. The Beechwood Parties hereby give notice that they intend to rely upon such other and further defenses as may become available during discovery in this action and reserve the right to amend their answer to assert any such defenses.

Dated: September 17, 2019  
Kew Gardens, New York

**LIPSIUS BENHAIM LAW LLP**

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*Attorney for Crossclaim Defendants Beechwood Re Ltd., B Asset Manager LP, B Asset Manager II LP, and Beechwood Bermuda International, Ltd., and Third-Party Defendants Mark Feuer and Samuel Adler as Trustees for Beechwood Global Distribution Trust, Brad Shalit as Trustee for Feuer Family 2016 Acq Trust, and Brad Shalit as Trustee for Taylor-Lau Family 2016 Acq Trust*