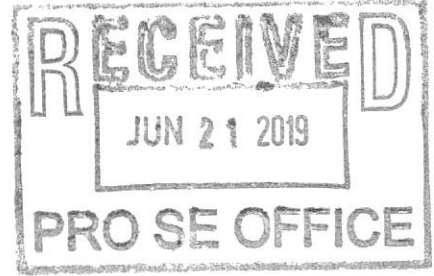


**ORIGINAL**



UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

16-cv-6848(BMC)

PLATINUM MANAGEMENT (NY) LLC,  
PLATINUM CREDIT MANAGEMENT, L.P.,  
MARK NORDLICHT,  
DAVID LEVY,  
DANIEL SMALL,  
URI LANDESMAN,  
JOSEPH MANN,  
JOSEPH SANFILIPPO,  
JEFFREY SHULSE,

Defendants.

**REQUEST OF SAMUEL SALFATI FOR  
ALLOWANCE AND PAYMENT OF ADMINISTRATIVE EXPENSE CLAIM**

Samuel Salfati hereby files his *Request for Allowance and Payment of Administrative Expense Claim* and in support thereof respectfully represents as follows:

**BACKGROUND**

1. I was employed by Platinum Partners from March 2011 to September 2017. From September 2016 to September 2017 I worked with and reported directly to the receiver (initially Bart M. Schwartz of Guidepost until he was replaced by Melanie Cyganowski of Otterbourg). Prior to the receivership, my responsibilities included sourcing new investment opportunities, financial analysis, risk assessment, portfolio management, and preparing assets for sale.

2. In June 2016, federal agents raided Platinum Partners' offices. In July 2016, Platinum Partners retained Bart M. Schwartz of Guidepost to liquidate two of its funds.

3. In July 2016, while most Platinum employees were resigning, Platinum Partners offered me retention payments as an incentive to remain with the funds through at least January 2018.

4. Platinum Management (NY), LLC, Platinum Credit Management, LLC, Platinum Partners Value Arbitrage Fund, LP and Platinum Partners Credit Opportunities Master Fund, LP (collectively, "Platinum") and I entered into a Retention Agreement dated September 7, 2016, which formalized the July 2016 verbal agreement. Platinum affirmatively stated that retaining me was "in the best interest of [Platinum's] investors." A copy of the Retention Agreement is attached hereto as Exhibit A.

5. Mr. Schwartz was aware of and approved the Retention Agreement.

6. Mr. Schwartz, who was reporting to the SEC since his retention in July 2016, was selected by the SEC to serve as the receiver and was appointed by the Court on December 19, 2016.

7. I reported to the receiver from December 2016 until he was terminated by the new receiver in September 2017. During that time, my responsibilities included preserving the value of Platinum by interacting with Houlihan Lokey, managing the existing portfolio of assets, and preparing the assets for sale.

8. In accordance with the Retention Agreement, I was entitled to Retention Payments of \$525,000 as follows: the First Retention Balance Payment of \$300,000 on or before March 31, 2017, the Second Retention payment of \$150,000 on March 31, 2017, and the First Continued Retention Payment of \$75,000 on July 31, 2017.

9. Platinum has failed to honor its obligations to me the Retention Agreement for services he provided to Platinum pursuant to the Retention Agreement after the receivership.

10. I am entitled to allowance and payment of an administrative expense claim for the retention payments because they are “actual, necessary costs and expenses of preserving the estate.

11. The unpaid retention payments due me constitutes an administrative expense claim because after the Petition Date and through the date of this Request, the Receiver did not make the payments but continued to utilize my services to preserve the value of the receivership entity.

**CONCLUSION**

WHEREFORE, I respectfully request that the Court allow my claim as an administrative expense and order that it be paid within ten (10) days after entry of an order granting this Request.

Dated: ~~June 17, 2019~~

June 21, 2019

By:

  
\_\_\_\_\_  
Samuel Salfati  
27 West 16<sup>th</sup> Street, #5C  
New York, NY 10011  
Telephone: (646) 430-1437

Samuel Salfati, *Pro se*

# EXHIBIT A

# Platinum Partners

September 7, 2016

Samuel Salfati

[ ]  
[ ]

Re: Retention Agreement

Dear Samuel Salfati:

We want to thank you for your loyalty in your continuing efforts on behalf of Platinum Management (NY), LLC and Platinum Credit Management, LLC (“Platinum” or the “Company”) the Investment Manager/Portfolio Manager for Platinum Partners Value Arbitrage Fund, LP (“PPVA”) and Platinum Partners Credit Opportunities Master Fund, LP (“PPCO”, PPVA and PPCO together shall be referred to as the “Funds”), and in the best interests of our investors by offering you retention payments (the “Retention Payments” and each a “Retention Payment”) in accordance with the terms set forth in this letter agreement (this “Agreement”). This agreement is meant to formalize the verbal/email agreements previously agreed to amongst the parties in July of 2016.

You will continue to be employed by Platinum as an Investment Professional, and agree to devote your best professional efforts, time and skill to the performance of the duties undertaken pursuant to your job description and on behalf of Platinum. You will continue to report to Mark Nordlicht or such other supervisor as may be directed by Platinum. While your employment is generally to the benefit of both Companies and Funds, it is the sole responsibility of the Companies to determine the allocation and expense of the Retention Payments amongst the Companies and Funds, and such allocation and expense

decisions shall have no bearing on the economics or timing of the Retention Payments as it relates to you.

**First Retention Payment:** If you remain actively employed by Platinum or the Funds, subject to the conditions below, you are entitled to receive an aggregate amount of \$300,000 (the "First Retention Payment"). The First Retention Payment shall be paid as follows: (a) at least \$120,000 [40% of first retention payment] from any cash proceeds received on account of the Funds' ownership of Class C shares in AGH Parent, LLC (whether such proceeds are received from the redemption of, sale of, or borrowing against, such shares); (b) at least \$ 60,000 [20% of first retention payment] from any cash proceeds received on account of the Funds' ownership of debt securities in Navidea Biopharmaceuticals Inc (whether such proceeds are received from the redemption of, sale of, or borrowing against, such debt); and (c) the balance (calculated as the First Retention Payment minus any payments made pursuant to (a) and (b) immediately above and irrespective of whether or not the events described in (a) and (b) immediately above have transpired) shall be paid on a mutually agreed schedule which shall take into consideration the liquidity urgencies and the allocation considerations amongst the Funds (and the Company shall advocate for a payment retention allocation from the Cayman Court appointed liquidators), but in no case later than March 31, 2017 (the "First Retention Balance Payment", and the first date upon which the obligation to pay the First Retention Balance Payment shall be referred to as the "First Retention Balance Payment Date"). The First Retention Balance Payment Date shall be deemed to be and defined as a "Retention Date", and each of the associated installments of the First Retention Payment (including the First Retention Balance Payment) shall be deemed to be and defined as a "Retention Payment".

**Second Retention Payment:** If you remain actively employed by the Company through January 31, 2017 (a "Retention Date"), subject to the conditions below, you are entitled to receive a lump sum cash payment (a "Retention Payment") in the amount of \$150,000 (the "Second Retention Payment"), to be paid through the regular payroll cycle of Platinum paid March 31, 2017.

**Continued Retention Payments:** If you remain actively employed by the Company from January 31, 2017 through July 31, 2017 (a "Retention Date"), subject to the conditions below, you are entitled to receive a lump sum cash payment (a "Retention Payment") in an amount equal to 50% of the amount of the Second Retention Payment (the "First Continued Retention Payment"), to be paid through the regular payroll cycle of Platinum on July 31, 2017. If you remain actively employed by the Company from July 31, 2017 through January 31, 2018 (a "Retention Date"), subject to the conditions below, you are entitled to receive a lump sum cash payment (a "Retention Payment") in an amount equal to 50% of the amount of the Second Retention Payment (the "Second Continued Retention Payment"), to be paid through the regular payroll cycle of Platinum on January 31, 2018.

Following January 31, 2018, Platinum or you may terminate this Agreement in its or your sole discretion at any time. Absent any such termination, following January 31, 2018, on July 31, 2018 and each January 31 and July 31 of each subsequent calendar year while this Agreement remains in effect (each, a "Retention Date"), subject to the conditions below, you will be entitled to receive a lump sum cash payment (each, a "Retention Payment") in an amount equal to 50% of the amount of the Second Retention Payment (the "Continued Retention Payments"). In further explanation of the foregoing, and by way of example only, if this Agreement is not terminated, the next Retention Date would be July 31,

2018, upon which date a Retention Amount equal to 50% of the amount of the Second Retention Payment will be paid to you subject to the conditions below.

SUMMARY (provided for illustrative purposes only)		
Retention Dates	Retention Payment	Amount
March 31, 2017 (or sooner, as further described herein)	First Retention Balance Payment	\$300,000
March 31, 2017	Second Retention Payment	\$150,000
July 31, 2017	First Continued Retention Payment	\$75,000
January 31, 2018	Second Continued Retention Payment	\$75,000
Continuing on a semiannual basis	Continued Retention Payments	\$75,000

**Base Salary:** If you remain employed by the Company from the date hereof through each "Retention Date" as described herein, or if your employment is terminated by Platinum other than for Cause (as defined below) prior to the next applicable Retention Date, you shall be entitled to receive your base salary of \$200,000, to be payable in substantially equal installments in accordance with Platinum's regular payroll practices, plus continuation of your existing employee benefits package (the "Base Salary") through the next applicable Retention Date as more fully described below.

You agree that other than your base salary, eligibility to participate in employee benefit programs that may be made available from time to time by Platinum to its employees generally, and Platinum's Retention Payment obligations as described herein, you will not be entitled to any other payments or compensation in connection with your employment with Platinum. However, other than laid out below with respect to PPVA, in the event that any payment described herein is not made or not made timely, nothing contained herein shall prejudice your rights with respect to any Trader Payables (amounts due and owing or that may be due and owing to you in the future under any operating agreement of any subsidiary of the Funds), claims or any other right you may have in law or equity against the Funds or the Companies.

**Acknowledgement of Debt & Repurchase:** The Company and the Funds acknowledge that the amounts comprising the First Retention Payment were earned by you over the course of your employment. The Company acknowledges that you are currently holding a claim of \$200,000 for a Trader Fee Payable collectible against PPVA. At such time as the First and Second Retention payment is made, the Trader Fee Payable shall be surrendered to the Company. Until such time as the First and Second Retention Payments are made you shall hold all right and title to the Trader Fee, and the Company agrees to aid in whatever defense of such claim may be necessary. You shall have the rights to file any proof of claim necessary to protect such claim and to vote the claim how you choose in any action that may require such vote.

**All retention payments you may receive from the Cayman Island court appointed liquidators, and/or any distributions you receive on account of your Trader Payable, shall serve to reduce the Continued Retention Payments obligations herein payable during such time period.**

**Conditions to Retention Payments:** To be eligible to receive any of the Retention Payments described in this Agreement, you must remain actively employed (without having given or received notice of the termination of your employment) with Platinum as of the applicable payment date for such payment, provided that (i) if your employment is terminated by Platinum other than for Cause (as defined below) and other than due to your death or disability (as determined by Platinum in its reasonable judgment) effective any time prior to January 31, 2017, you will receive the First Retention Balance Payment, and Second Retention Payment as if you remained actively employed through the date of payment and your Base Salary through January 31, 2017, and (ii) if your employment is terminated by Platinum other than for Cause (as defined below) and other than due to your death or disability (as determined by Platinum in its reasonable judgment) effective following January 31, 2017 but prior to payment of the First Continued Retention Payment, or effective following June 31, 2017 but prior to payment of the Second Continued Retention Payment, you will receive your Base Salary, and the First Continued Retention Payment or Second Continued Retention Payment, as applicable, as if you remained actively employed through the applicable date of payment. No payment described in this Agreement will be due unless all the conditions of payment have been satisfied, as determined by Platinum in its reasonable judgment.

In the event Platinum does not make the Retention Payments on the dates required, as described herein, or pay the Base Salary, (a) you shall have the right to voluntarily terminate your employment, and (b) notwithstanding such voluntarily termination of your employment, you shall continue to be entitled to (i) the First Retention Balance Payment and Second Retention Payment, and any other Retention Payment earned prior to such termination, (ii) the indemnity for your prior employment.

For purposes of this Agreement, "Cause" shall mean: (i) your failure to preform substantially all your material duties to the Company, (ii) theft or embezzlement of property of the Company or any of its affiliates, or dishonesty in the performance of your duties, (iii) any act(s) or omission(s) on your part constituting or your indictment or being charged with (x) a felony under the laws of the United States or any state thereof or (y) a crime involving moral turpitude, (iv) your willful malfeasance, gross negligence or gross misconduct in connection with your duties to the Company and/or (v) your material failure to comply with a lawful direction or instruction given to you by the Joint Provisional Liquidators of the fund, Management of the fund and/or your immediate supervisor. The existence of Cause shall be determined by Platinum in its reasonable judgment.



In consideration of the benefits and other obligations of Platinum to you pursuant to this Agreement, in order to protect the Proprietary Information (as described below) that has been and will be provided to you during your employment with Platinum and preserve the goodwill of Platinum, you hereby covenant and agree that you shall not, anywhere in the world, during the period of your employment with Platinum or any of its affiliates, directly or indirectly, own any interest in, manage, control, participate in (whether as an officer, director, manager, employee, partner, equity holder, member, agent, representative or otherwise), consult with, render services for, or in any other manner engage in any business in which Platinum is engaged in any manner other than on behalf of Platinum and its affiliates, provided that if your employment is terminated by Platinum without cause this paragraph shall no longer be applicable to you, and further provided that in the event you terminate this agreement or if your employment is terminated by Platinum with cause this paragraph shall only apply until the next applicable Payment Date. This paragraph shall simply augment all similar, prior obligations you may have, and is not intended to limit or diminish any existing obligation.

You agree that any and all information learned in connection with your employment, whether or not in writing, of a private, secret or confidential nature concerning Platinum's business, strategies, relationships, clients or financial affairs (collectively, "Proprietary Information") is and shall be the exclusive property of Platinum and therefore shall not be shared with any third party or used by you other than as required in the performance of your duties while employed by Platinum, except as required by law. By way of illustration, but not limitation, Proprietary Information includes, without limitation, present and future business plans, business strategy, investor information, trade secrets, information relating to any potential investors, valuation reports or related valuation support, any and all legal documentation, risk report information, proprietary models, portfolio company investment level information, personally identifiable information, information relating to any and all potential or completed transactions, audited financial statements or work papers relating thereto, projections, any and all lender information, and any and all documentation relating to Platinum's inventions, products, processes, methods, techniques, formulas, compositions, compounds, projects, developments, plans, research data or financial data. This paragraph shall simply augment all prior confidentiality obligations you may have, and is not intended to limit or diminish any existing confidentiality obligation. Notwithstanding the foregoing, (i) nothing in this paragraph or Agreement prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity or self-regulatory organization or making disclosures that are protected under the whistleblower provisions of federal law or regulation; and (ii) in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. You agree that Platinum may seek an injunction to enforce the obligations in this paragraph and the immediately preceding paragraph, in addition to any other damages to which it may be entitled, and any claims you may have against Platinum will not be a defense to enforcement of your obligations under this paragraph and the immediately preceding paragraph. This paragraph shall simply augment all similar, prior obligations you may have, and is not intended to limit or diminish any existing obligation.

As an employee of the Company, you are an Indemnified Person/indemnified party (as described in the Investment Management Agreement between PPVA and PMNY, and Portfolio Management Agreement between PCM and PPCO, both as amended from time to time), and subject to the procedures and limitations stated therein, you shall be indemnified by the Funds (as described in the Investment Management Agreement between PPVA and PMNY, and Portfolio Management Agreement between PCM and PPCO, both as amended from time to time) and applicable feeder funds against Losses sustained by the Indemnified Persons/indemnified parties prior to or following the date hereto.

Platinum hereby represents to you that Guidepost Solutions, LLC acting as an independent oversight advisor to Platinum has reviewed and consented to this Agreement

This Agreement does not change in any way the at will nature of your employment, nor does it confer upon you any right to continued employment or service with the Company or otherwise interfere with the right of the Company to terminate your employment for any reason and at any time, with or without notice.

The Company will withhold taxes (and other applicable withholdings) from any payments made hereunder to the extent required by law, but you will be solely responsible for all taxes incurred by you, including any taxes under Section 409A of the Internal Revenue Code of 1986, as amended, in respect of any payment made under this Agreement.

This Agreement is to be construed in accordance with, and governed by, the laws of the State of New York, without regard to the conflicts of law provisions thereof. Any dispute under this Agreement shall be brought exclusively in the federal courts sitting in New York County, New York (or if federal jurisdiction does not exist, in the state courts located therein). The parties hereto irrevocably consent to the jurisdiction of any federal or state court in New York County, New York, acknowledge that venue is proper in any such court and waive any argument that any other court would be more convenient or appropriate, based on the doctrine of *forum non conveniens* or otherwise, or that such court lacks personal jurisdiction over the parties. **YOU AND THE COMPANY HEREBY WAIVE YOUR RIGHT TO A TRIAL BY JURY IN ANY LITIGATION OR PROCEEDING ARISING OUT OF, OR RELATING TO, THIS AGREEMENT.**

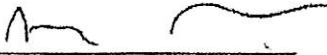
This Agreement contains the entire agreement of the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings regarding this topic, whether written or oral.

This Agreement may be changed or waived only by an agreement in writing signed by the parties hereto. This Agreement may be assigned in whole or in part by Platinum without your consent, but may not be assigned in whole or in part by you.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

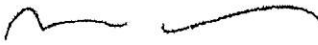
I would like to thank you for your continuing support to the Company. If the foregoing is acceptable to you, kindly acknowledge and accept by executing this Agreement where indicated below and return it to the Company as soon as practicable.

Very truly yours,



Mark Nordlicht, Chief Investment Officer on behalf of  
**Platinum Management (NY), LLC**  
**Platinum Credit Management, LLC**

And



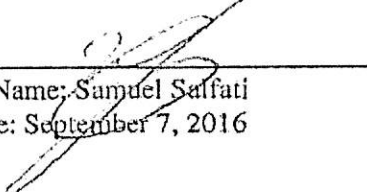
Mark Nordlicht, Chief Investment Officer of Platinum Management (NY), LLC, on behalf of **Platinum Partners Value Arbitrage Fund, LP** (for the period prior to August 25, 2016 and upon becoming reengaged by the Cayman court appointed liquidators if permissible under the terms of such re-engagement)

And



Mark Nordlicht, Chief Investment Officer of Platinum Credit Management, LLC on behalf of **Platinum Partners Credit Opportunities Master Fund, LP**

ACKNOWLEDGED AND ACCEPTED

By: 

Name: Samuel Salfati

Date: September 7, 2016

FROM

GUIDEPOST

APRIL 9<sup>TH</sup> 2017

Name: Sam Salfati

2017 Salary: **\$200,000**

Initial Performance Award: **\$75,000**

Total of Remaining Performance Awards: **\$225,000**

June Retention Award: **\$90,000**

December/January Retention Award: **\$210,000**