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Via ECF

January 25, 2017

Chief Judge Dora L. Irizarry
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Re: *SEC v. Platinum Management (NY) LLC et al*, Civil Case No. 16-cv-6848 (DLI)(VMS)

Dear Chief Judge Irizarry:

On behalf of the Receiver, Bart M. Schwartz (the "Receiver"), we write to advise the Court of recent developments in advance of the Order to Show Cause hearing scheduled for January 31, 2017, at 11:00 AM.

In the Securities and Exchange Commission's and Receiver's Joint Emergency Motion for an Order to Show Cause and Temporary Restraining Order filed January 9, 2017 [Docket No. 21], the SEC and the Receiver requested a Temporary Restraining Order:

- (i) temporarily staying the bankruptcy court adversary proceeding *Richard Schmidt, Litigation Trustee v. Platinum Partners Value Arbitrage Fund LP, Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Liquid Opportunities Master Fund LP, and PPVA Black Elk (Equity) LLC*, Adv. No. 16-03237 (MI) (Bankr. S.D.Tex.) (the "Fraudulent Transfer Action");
- (ii) temporarily enjoining enforcement of a temporary restraining order entered in the Fraudulent Transfer Action (the "Bankruptcy Court TRO"); and
- (iii) authorizing the Receiver to make certain specified expenditures notwithstanding the Bankruptcy Court TRO.

On January 11, 2017, Richard Schmidt (the "Bankruptcy Litigation Trustee") agreed to the requested expenditures, rendering the relief requested in (iii) above moot.

Pursuant to an Agreed Order entered by United States Bankruptcy Judge Marvin Isgur on January 25, 2017 (attached hereto as Exhibit A), the Bankruptcy Litigation Trustee withdrew his Application for Preliminary Injunction and the Bankruptcy Court TRO expired as to Platinum Partners Credit Opportunities Master Fund, LP and Platinum Partners Liquid Opportunities Master Fund, LP. With this development, the relief requested in (ii) above is also moot.

The SEC and Receiver are currently involved in discussions with the Bankruptcy Litigation Trustee with regards to the relief requested in (i) and will advise the Court promptly if the parties reach an agreement.



Chief Judge Dora L. Irizarry
January 25, 2017
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Respectfully submitted,

/s/ Celia Goldwag Barenholtz

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Proposed Counsel to the Receiver

cc: All counsel of record (via ECF)

EXHIBIT A



ENTERED
01/25/2017

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:

**BLACK ELK ENERGY OFFSHORE
OPERATIONS, LLC**

DEBTOR.

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CASE NO. 15-24287 (MI)

CHAPTER 11

**RICHARD SCHMIDT, LITIGATION
TRUSTEE**

PLAINTIFF

VS.

**PLATINUM PARTNERS VALUE
ARBITRAGE FUND LP, PLATINUM
PARTNERS CREDIT OPPORTUNITIES
MASTER FUND LP, PLATINUM
PARTNERS LIQUID OPPORTUNITIES
MASTER FUND, LP AND PPVA BLACK
ELK (EQUITY), LLC**

DEFENDANTS

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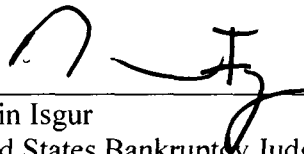
ADVERSARY NO. 16-03237

AGREED ORDER

Plaintiff Richard Schmidt Litigation Trustee (the "Trustee") has agreed to withdraw his Application for Preliminary Injunction and pass the hearing on the Application set for January 26, 2017. The Trustee has further requested that the Temporary Restraining Order (Dkt. 7), which the Court previously extended by Agreed Orders until disposition of the Trustee's Application for Preliminary Injunction, expire as to Platinum Partners Credit Opportunities Master Fund, LP and Platinum Partners Liquid Opportunities Master Fund, LP.

Upon entry of this Order, the Temporary Restraining Order (Dkt. 7) entered on October 26, 2016 shall expire as to Platinum Partners Credit Opportunities Master Fund, LP and Platinum Partners Liquid Opportunities Master Fund, LP.

Signed on 1-25, 2017.



Marvin Isgur
United States Bankruptcy Judge

AGREED AND ENTRY REQUESTED:

/s/ Craig Smyser

Craig Smyser
Attorney for Richard Schmidt, Trustee for the
Black Elk Litigation Trust

/s/ Christopher Lindstrom

Christopher D. Lindstrom
Attorney for Defendants Platinum Partners Credit Opportunities
Master Fund LP and Platinum Partners Liquid Opportunities Master Fund LP

/s/ Celia Barenholtz

Celia Barenholtz
Attorney for Bart Schwartz, Receiver for Defendants