

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-v-

No. 16-cv-6848 (DLI)(VMS)

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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**DECLARATION OF CELIA GOLDWAG BARENHOLTZ  
IN SUPPORT OF APPLICATION TO RETAIN COOLEY LLP**

I, Celia Goldwag Barenholtz, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am partner in the law firm of Cooley LLP (“Cooley”), located at 1114 Avenue of the Americas, New York, New York. I am over 18 years old and am a member of the bar of this Court. This declaration is based upon my personal knowledge and information provided to me by other Cooley attorneys.

2. I make this declaration in support of the Application of Bart M. Schwartz, the Court-appointed Receiver in this action, for Entry of an Order Approving the Retention of Cooley LLP *Nunc Pro Tunc* to the Appointment Date (the “Application”). All capitalized terms used in this declaration, unless otherwise defined herein, shall have the meanings ascribed to such terms in the Application.

3. The Court-appointed Receiver has selected Cooley to represent him in this action. Cooley is comprised of approximately 900 attorneys across 12 offices in the United States,

China, and Europe. Cooley's attorneys have deep experience in a variety of fields relevant to this action, including complex commercial litigation, white collar and regulatory defense, bankruptcy and corporate reorganizations, insurance coverage, investment funds, securities law, secured transactions and other commercial law matters. The Cooley attorneys who will advise the Receiver in this case will have considerable knowledge and experience in these fields.

4. Subject to Court approval, Cooley will render professional services to the Receiver, including, but not limited to, the following:

(a) To advise, assist, and represent the Receiver with respect to his rights, remedies, powers, duties, and obligations under the Receiver Order and to prepare or assist in the preparation of pleadings, applications, motions, reports, and other papers incidental to the performance by the Receiver of his rights, powers, duties, and responsibilities under the Receiver Order;

(b) To advise, assist, and represent the Receiver in connection with the preparation of the Liquidation Plan;

(c) To advise, assist, and represent the Receiver in connection with insurance matters;

(d) To advise and represent the Receiver in the review and analysis of any legal issues incident to any proposed sale or other disposition of or transaction involving any Receivership Entity assets;

(e) To advise, assist, and represent the Receiver in connection with the preparation of the reports required under the Receiver Order;

(f) To advise, assist, and represent the Receiver in any dealings with the SEC or other regulatory authorities;

(g) To advise, assist, and represent the Receiver in connection with the sale, collection or other disposition of any Receivership Entity assets and the closing of any such transactions;

(h) To conduct, defend, or otherwise participate in any investigation, deposition, examination, and/or document production as may be held or conducted in connection with this case;

(i) To advise and, if necessary, commence affirmative litigation to recover funds paid by any Receivership Entity or to recover damages sustained by any Receivership Entity;

(j) To appear, as necessary, on behalf of the Receiver before the Court and any appellate courts; and

(k) To perform any and all other legal services requested by the Receiver in the performance and exercise of his rights, remedies, powers, duties, and responsibilities under the Receiver Order.

5. Subject to the Court's approval, Cooley will charge the Receiver for its legal services at hourly rates in effect each year less a public service discount of fifteen percent (15%), and for reimbursement of all costs and expenses incurred in connection with this action, subject to the SEC Receivership Billing Instructions.

6. As of January 1, 2017, Cooley's standard hourly billing rates for attorneys and other members of its professional staff range from \$175 to \$1,470. The 2017 hourly rates for the attorneys and likely to provide legal services for the Receiver in connection with this action and those rates at the fifteen percent (15%) public service discount are set forth in Exhibit 1 attached hereto. This list of attorneys is intended to be a representative, but not definitive, listing of

individuals who may provide services in relation to this matter. A wide range of Cooley professionals may be used in this engagement to provide services in the most efficient manner possible. In the normal course of its business, Cooley revises its hourly rates on an annual basis, and the hourly rates reflected in the Application and this declaration are the rates Cooley has adopted for matters of this type for legal services to be provided during calendar year 2017.

7. In addition to the hourly rates set forth above, Cooley customarily charges its clients for all costs and expenses reasonably incurred, including electronic discovery management, computerized legal research, charges for overtime for non-attorney personnel, and ancillary services such as photocopying, word processing, messengers, overnight mail, postage, telephone calls, facsimile, and desktop publishing. Cooley proposes to charge the Receiver for these costs and expenses in the same manner as Cooley charges its other clients for the same costs and expenses, subject to the SEC Receivership Billing Instructions.

8. Cooley has advised the Receiver that Cooley will apply to the Court for allowance of compensation for professional services rendered and for reimbursement of reasonable costs and expenses incurred in connection with this matter in accordance with the Receiver Order and any other applicable Orders of the Court. Cooley has further confirmed to the Receiver that, in applying to the Court for compensation, Cooley will comply with the SEC Receivership Billing Instructions.

9. Cooley maintains records of all its clients, the matters on which it represents its clients, and the other parties which have substantial roles in such matters. Attached to this declaration as Exhibit 2 is a listing of the entities Cooley input into its conflict checking system as part of its intake process. Based upon this review of Cooley's records and using the available information, Cooley makes the following disclosure of three potentially adverse persons or

entities:

(a) Cooley represents Jona Rechnitz, including matters related to *U.S. v. Norman Seabrook and Murray Huberfeld*, 16 Crim 467. Cooley also represents another witness in relation to that matter. *U.S. v. Norman Seabrook and Murray Huberfeld* involves an alleged bribery scheme where Murray Huberfeld, a founder and part-owner of Platinum Partners, allegedly bribed Norman Seabrook in exchange for Seabrook's investment of money controlled by the Correction Officer's Benevolent Association. Accordingly, Cooley has advised the Receiver that it cannot be instructed on any matter related to that case and cannot share with the Receiver any confidences received from those individuals;

(b) Cooley represents Clifford Chance and cannot be adverse to Clifford Chance without obtaining a conflict waiver from Clifford Chance;

(c) As a result of a prior representation of Clifford Chance, Cooley cannot represent the Receiver with respect to any matter relating to the funding of the Excalibur litigation in the United Kingdom.

10. Cooley previously disclosed the information set forth in subparagraphs (a) – (c) of Paragraph 9 to the Receiver and SEC. Thus, to the extent there is any adverse interest that would preclude representation of the Receiver, Cooley has disclosed that interest to the Receiver and the SEC (as set forth above) and advised the Receiver that it cannot advise the Receiver with respect to any matter involving that interest (assuming that the Receiver needs such representation).

11. To the best of my knowledge, after reasonable investigation, I do not believe that the limitations described above preclude Cooley from accepting this engagement as counsel for the Receiver and from performing the legal services for the Receiver described in the

Application and this declaration.

12. To the best of my knowledge, no members of Cooley are subject to disciplinary actions in any court.

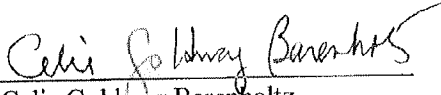
13. There is no agreement of any nature, other than the partnership agreement of Cooley LLP, as to the sharing of any compensation to be paid to Cooley.

14. Both the SEC and the Restraining Order Defendants consent to the retention of Cooley. Cooley also sought the consent of the other defendants who have appeared in this case. Defendants Joseph SanFilippo and Jeffrey Shulse consent to the Application. Defendants David Levy, Daniel Small, and Joseph Mann requested more detail regarding the Application, which they were provided, and neither consented nor objected to the Application at the time of filing. Defendant Uri Landesman did not respond to communications regarding the Application.

15. Cooley will represent the Receiver in this action with the understanding that Cooley will be compensated at the discounted hourly rates that are scheduled and attached to this declaration as Exhibit 1 and incorporated herein by reference, subject to yearly adjustments, and will be reimbursed for reasonable and necessary out-of-pocket expenses, subject to the SEC Receivership Billing Instructions. Cooley understands that all such compensation and reimbursement is subject to Court approval upon appropriate application.

I declare under penalty of perjury that the foregoing is true and correct

Dated: New York, NY  
January 31, 2017

  
Celia Goldwag Barenholtz  
Proposed Counsel to Bart M. Schwartz, Receiver  
Cooley LLP  
1114 Avenue of the Americas  
New York, NY 10036  
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**EXHIBIT 1****Attorney Rate Chart**

<b>NAME</b>	<b>POSITION</b>	<b>STANDARD RATE</b>	<b>DISCOUNTED RATE (15%<i>o</i>)</b>
Alan Levine	Partner	\$1,375	\$1,168.75
Celia Goldwag Barenholtz	Partner	\$1,175	\$998.75
Thomas Salley	Partner	\$995	\$845.75
Ann Mooney	Partner	\$965	\$820.25
Lawrence Gottlieb	Senior Counsel	\$1,185	\$1,007.25
Lynn D. Horwitz	Special Counsel	\$880	\$748
Robert Winning	Associate	\$835	\$709.75
Abigail Belknap Seidner	Associate	\$670	\$569.50
Lauren A. Reichardt	Associate	\$595	\$505.75
Sarah A. Carnes	Associate	\$595	\$505.75
Daniel J. Pohlman	Associate	\$525	\$446.25
Ruben D. Morales	Paralegal	\$315	\$267.75

**EXHIBIT 2**

**Entity and Person Names Input into Conflict Checking Database**

Platinum Credit Management, L.P.  
Platinum Management (NY) LLC  
Mark Nordlicht  
David Levy  
Daniel Small  
Uri Landesman  
Joseph Mann  
Joseph SanFilippo  
Jeffrey Shulse  
Platinum Partners Credit Opportunities Master Fund LP  
Platinum Partners Credit Opportunities Fund (TE) LLC  
Platinum Partners Credit Opportunities Fund (BL) LLC  
Platinum Liquid Opportunity Management (NY) LLC  
Platinum Partners Liquid Opportunity Fund (USA) L.P.  
Black Elk Energy Offshore Operations LLC  
Securities and Exchange Commission  
Golden Gate Oil LLC  
Beechwood Re, Ltd.  
Beechwood Bermuda Investment, Ltd.  
Beechwood Bermuda Investment Holdings, Ltd.  
B Asset Manager L.P.  
Tokio Marine/US Specialty Insurance  
Berkshire Hathaway  
Freedom  
One Beacon  
Atlantic Specialty  
W. R. Berkley Corporation