

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

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SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

-v-

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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No. 16-cv-6848 (BMC)

**THE RECEIVER’S NOTICE MOTION FOR ENTRY OF AN ORDER (A)
APPROVING SETTLEMENT AGREEMENTS WITH (1) CNO
FINANCIAL GROUP, INC. AND RELATED PARTIES, AND (2) SENIOR
HEALTH INSURANCE COMPANY OF PENNSYLVANIA AND FUZION
ANALYTICS, INC., AND (B) APPROVING USE OF FUNDS**

PLEASE TAKE NOTICE that upon the accompanying Declaration of Melanie L. Cyganowski (the “**Receiver Decl.**”), the accompanying Memorandum of Law, and all prior proceedings had herein, Melanie L. Cyganowski, as Receiver (the “**Receiver**”) for Platinum Credit Management, L.P., Platinum Partners Credit Opportunities Master Fund LP (“**PPCO**”), Platinum Partners Credit Opportunities Fund (TE) LLC (“**TE Feeder**”), Platinum Partners Credit Opportunities Fund LLC (“**US Feeder**”), Platinum Partners Credit Opportunities Fund (BL) LLC (“**Blocker**”), Platinum Partners Credit Opportunities Fund International Ltd. (“**Int’l Feeder**”), Platinum Partners Credit Opportunities Fund International (A) Ltd. (“**Int’l (A) Feeder**”), Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., and Platinum Partners Liquid Opportunity Master Fund L.P. (collectively, the “**Receivership**”

Entities”), and, in that capacity, as a representative of each subsidiary, PPCO, will move this Court (the “*Motion*”) before the Honorable Brian M. Cogan, United States District Judge for the United States District Court for the Eastern District of New York (the “*District Court*”), located at the United States District Court for the Eastern District of New York, 225 Cadman Plaza East, Brooklyn, New York 11201, for entry of an Order:

- approving a settlement agreement (the “*CNO Settlement Agreement*”), a copy of which is attached as **Exhibit A** to the Declaration of Melanie L. Cyganowski, as Receiver (the “*Receiver Decl.*”), dated as of July 1, 2020, between (1) the Receiver, as receiver for the Receivership Entities, and the PPCO Receivership Entities, on one hand, and (2) CNO Financial Group, Inc., Bankers Consec Life Insurance Company, Washington National Insurance Company, 40|86 Advisors, Inc., and BRe WNIC 2013 LTC Primary, BRe WNIC 2013 LTC Sub, BRe BCLIC Primary and BRe BCLIC Sub, as represented by Wilmington Trust, in its capacity as their former custodian, on the other hand;
- approving a settlement agreement (the “*SHIP Settlement Agreement*,” together with the CNO Settlement Agreement, collectively, the “*Settlement Agreements*”), a copy of which is attached to the Receiver Decl. as **Exhibit B**, dated as of July 1, 2020, between (1) the Receiver, on behalf of the Receivership Entities and PPCO’s subsidiaries, on one hand, and (2) Senior Health Insurance Company of Pennsylvania (“*SHIP*”) and Fuzion Analytics, Inc., on the other hand;
- authorizing the Receiver to pay \$14 million payable to SHIP in accordance with the terms of the SHIP Settlement Agreement (the “*Settlement Amount*”);
- authorizing the Receiver to use up to approximately \$1.8 million (approximately 11.8% of the Settlement Amount) of funds from PPCO’s subsidiaries ALS Capital Ventures, LLC (“*ALS*”) and/or ALS Life Holdings LLC, including funds in ALS’ operating

account, to fund the Settlement Amount, and to use funds of PPCO to fund the remainder of the Settlement Amount; and

granting such other and further relief as the Court deems just.

PLEASE TAKE FURTHER NOTICE that any opposition to the Motion must be (i) made in writing; (ii) if by a party, electronically filed with the District Court; or (iii) if by a non-party, electronically mailed to the Receiver at her email address, platinumreceiver@otterbourg.com and to her counsel at eweinick@otterbourg.com, so as to be actually received no later than **July 17, 2020**.

PLEASE TAKE FURTHER NOTICE that, in the absence of any timely filed or served written opposition, the District Court may grant the relief requested in the Motion without further hearing or notice.

Dated: July 1, 2020

OTTERBOURG P.C.

By: /s/ Adam C. Silverstein
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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

-v-

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.
-----X

No. 16-cv-6848 (BMC)

**DECLARATION OF MELANIE L. CYGANOWSKI, AS RECEIVER, IN SUPPORT OF
HER MOTION FOR ENTRY OF AN ORDER (A) APPROVING SETTLEMENT
AGREEMENTS WITH (1) CNO FINANCIAL GROUP, INC. AND RELATED PARTIES,
AND (2) SENIOR HEALTH INSURANCE COMPANY OF PENNSYLVANIA AND
FUZION ANALYTICS, INC. AND (B) APPROVING USE OF FUNDS**

I, Melanie L. Cyganowski, pursuant to 28 U.S.C. § 1746, hereby declare that the following
is true to the best of my knowledge, information and belief:

1. I make this declaration in my capacity as the court-appointed Receiver (the
“*Receiver*”) of Platinum Credit Management, L.P. (“*PPCO Portfolio Manager*”), Platinum
Partners Credit Opportunities Master Fund LP (“*PPCO*”), Platinum Partners Credit Opportunities
Fund (TE) LLC (“*TE Feeder*”), Platinum Partners Credit Opportunities Fund LLC (“*US Feeder*”),
Platinum Partners Credit Opportunities Fund (BL) LLC (“*Blocker*”), Platinum Partners Credit
Opportunities Fund International Ltd. (“*Int’l Feeder*”) and Platinum Partners Credit Opportunities
Fund International (A) Ltd. (“*Int’l (A) Feeder*”), Platinum Liquid Opportunity Management (NY)

LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., Platinum Partners Liquid Opportunity Master Fund L.P. and, in that capacity, as representative of the Receivership Entities' "Subsidiaries" (collectively, the "***Receivership Entities***," and, with the estate created by the receivership, the "***Receivership Estate***").¹ I make this declaration based upon my personal knowledge and a review of records of the Receivership Entities.

2. I submit this declaration in support of my motion, as Receiver (the "***Motion***") for entry of an order:

- approving the Settlement Agreement (the "***CNO Settlement Agreement***"), a copy of which is attached hereto as **Exhibit A**, dated as of July 1, 2020, between (1) me, in my capacity as Receiver for the Receivership Entities, and PPCO Master Fund, TE Feeder, US Feeder, Int'l Feeder, Int'l (A) Feeder and Blocker (collectively, the "PPCO Receivership Entities" together with the Receiver, the "***Platinum Plaintiffs***"), on one hand, and (2) CNO Financial Group, Inc. ("***CNO***"), Bankers Conesco Life Insurance Company ("***BCLIC***"), Washington National Insurance Company ("***WNIC***"), 40|86 Advisors, Inc. ("***40|86 Advisors***," together with CNO, BCLIC and WNIC, collectively, the "***CNO Defendants***"), and BRe WNIC 2013 LTC Primary, BRe WNIC 2013 LTC Sub, BRe BCLIC Primary and BRe BCLIC Sub, as represented by Wilmington Trust, N.A., in its capacity as their former custodian, (collectively, the "***Accounts***," and with the CNO Defendants, the "***CNO Parties***"), on the other hand;
- approving a settlement agreement (the "***SHIP Settlement Agreement***," together with

¹ The "***PPCO Receivership Entities***" are: PPCO, TE Feeder, US Feeder, Blocker, Int'l Feeder and Int'l A Feeder. The "***Subsidiaries***" are identified and defined as the "PPMF Subsidiaries" in paragraph 2 of the SHIP Settlement Agreement (defined below).

the CNO Settlement Agreement, collectively, the “**Settlement Agreements**”), a copy of which is attached hereto as **Exhibit B**, dated as of July 1, 2020, between (1) me, in my capacity as Receiver, on behalf of the Receivership Entities and Subsidiaries, on one hand, and (2) Senior Health Insurance Company of Pennsylvania (“**SHIP**”) and Fuzion Analytics, Inc. (“**Fuzion**,” together with SHIP, collectively, the “**SHIP Parties**”), on the other hand;

- authorizing me to pay \$14 million payable to SHIP in accordance with the terms of the SHIP Settlement Agreement (the “**Settlement Amount**”);
- authorizing me to use up to approximately \$1.8 million (approximately 11.8% of the Settlement Amount) of funds from PPCO’s subsidiaries ALS Capital Ventures, LLC (“**ALS**”) and/or ALS Life Holdings LLC (“**ALS Life**”), including funds in ALS’ operating account (the “**ALS Operating Account**”) to fund the Settlement Amount and to use funds of PPCO to fund the remainder of the Settlement Amount; and
- granting such other and further relief as the Court deems just.²

PRELIMINARY STATEMENT

3. One of the primary obstacles to the successful completion of the receivership and formulation of a plan of liquidation is more than \$79 million (principal amount) of secured debt (the “**Secured Debt**”) allegedly owed by PPCO to a group of secured lenders for which BAM Administrative Services, LLC (“**BAM Admin**”) is the agent for the noteholders (the “**Noteholders**”). The Secured Debt is the subject of an action (the “**SDNY Action**”) pending in the United States District Court for the Southern District of New York (Rakoff, U.S.D.J.) (the “**SDNY**”

² I have conferred with the staff of the Securities and Exchange Commission (the “**SEC**”) before entering into the Settlement Agreements and the SEC indicated me that it has no objection to entry into those agreements or the relief requested in the Motion.

Court”),³ in which I am pursuing fraudulent conveyance claims, as receiver of PPCO, seeking avoidance of the Secured Debt and related liens and transfers, as well as tort claims. The remaining defendants in the SDNY Action include BAM Admin, for itself and as agent for the Noteholders, SHIP, BCLIC, WNIC, Beechwood Bermuda International Ltd. (“**BBIL**”), its parent Beechwood Bermuda Ltd. (“**BBL**”), and their affiliate, Beechwood Re Limited (“**BRe**”) and the Accounts.

4. Through the Motion, I seek approval of two settlement agreements in which the estates of the PPCO Receivership Entities and more than sixty subsidiaries of PPCO (including the Subsidiaries) would receive, among other consideration, satisfaction of more than \$44 million of the Secured Debt (principal amount) owned by SHIP, BCLIC, WNIC and BBIL and a total of 38 proofs of claim filed by BCLIC, WNIC, SHIP and Fuzion in the Receivership in exchange for, among other consideration, a total payment of \$14 million by PPCO (\$4.5 million of which will be paid into escrow and used, if needed, to indemnify PPCO for claims based on alleged Secured Debt of three other Noteholders, which did not file their own proofs of claim by the March 29, 2019 bar date for doing so established by this Court or at any time thereafter), and the dismissal of the Receivership’s claims against the settling defendants and certain other parties.

5. SHIP, BCLIC, WNIC and BBIL purportedly own Secured Debt as “Lender of Record” in the following amounts:

Lender of Record	Principal Amount of Secured Debt Held as Lender of Record
SHIP	\$27,355,042.17
BCLIC	\$6,079,417.95
WNIC	\$1,642,428.50
BBIL	\$9,532,669.40
TOTAL	\$44,609,558.02

³ The SDNY Action is entitled *Cyganowski v. Beechwood Re Ltd.*, No. 18-cv-06658, and has been administratively consolidated with two other actions under the caption entitled *In re Platinum-Beechwood Litig.*, No. 18-cv-12018. References to “SDNY ECF No. ____” refer to docket entries in *In re Platinum-Beechwood Litig.*, No. 18-cv-12018.

6. The remaining \$35.2 million (principal amount) of the Secured Debt is purportedly held by four Noteholders, one of which (Principal Growth Strategies (“**PGS**”), owned 45% by PPCO and 55% by Platinum Partners Value Arbitrage Fund, LP (“**PPVA**”), holds \$30,650,512.27 of the Secured Debt (principal amount). I expect to obtain the release of the Secured Debt held by PGS in a separate agreement with PPVA that is in the process of being negotiated. As for the remaining \$4.5 million (principal amount) of the Secured Debt, as part of the SHIP Settlement Agreement, the Receivership Estate is being indemnified by the SHIP Parties for that amount, with the funds for the indemnity obligation to be paid into escrow as part of the Settlement Amount.

7. The Receivership Entities would also exchange general releases with the CNO Parties and the SHIP Parties, BBIL, BRe, BBL and the other Beechwood Parties (as defined below) other than BAM Admin in its capacity as “Agent” for the Noteholders (subject to certain exceptions which are described below). In addition, SHIP, BCLIC, WNIC and BBIL BAM Admin would execute documents that would permit the release of more than \$6.3 million currently being held in an escrow account containing the proceeds of the sale of certain life insurance policies by ALS and/or ALS Life (the “**ALS Escrow Account**”), enabling me to use and/or distribute those funds as appropriate.

8. Because the Settlement Agreements will allow for the release of more than \$44 million (principal value) of Secured Debt and 38 proofs of claim and will permit the release of the funds in the ALS Escrow Account in exchange for a total payment of \$14 million (\$4.5 million of which will be paid into escrow to indemnify PPCO against other Noteholder claims), the Settlement Agreements are equitable, reasonable and in the best interests of the Receivership Estate and should be approved.

9. I also seek authorization to fund up to approximately \$1.8 million (approximately 11.8%) of the Settlement Amount from funds of ALS and/or its wholly-owned subsidiary, ALS

Life. Use of ALS' funds for the Settlement Amount is within my authority as Receiver under the *Second Amended Order Appointing Receiver* entered on October 16, 2017 [ECF No. 276] (the "**Receivership Order**"). The Settlement Agreements will benefit ALS and ALS Life by releasing the liens (except for the PGS lien and amounts subject to a funded indemnity escrow) on \$12 million of cash remaining in the ALS Escrow Account and the ALS Operating Account (after the disbursement of approximately \$1.8 million from those accounts) from SHIP's and BBIL's purported liens against the ALS Funds, and from SHIP, BBIL, BCLIC and WNIC's purported claims against ALS on its guarantees of \$44 million of the Secured Debt. After the SHIP Settlement Agreement is executed, the only remaining Secured Debt guaranteed by ALS will be: (a) the Secured Debt held by PGS (approximately \$30.7 million principal amount) that I am hoping to resolve as part my ongoing negotiations with the joint liquidators of PPVA, and (b) other Secured Debt, if ultimately allowed (approximately \$4.5 million principal amount). ALS' contribution of 11.8% of the Settlement Amount is equitable because, as of December 19, 2016, the date on which the Receivership Entities were placed in receivership (the "**Receivership Date**"), ALS' assets totaled approximately 11.8% of the combined encumbered assets of PPCO and ALS. Thus, the percentage of the Settlement Amount that ALS will be contributing is proportionate to the benefit (relative to the Receivership's) that ALS will be receiving through the settlements. Accordingly, this portion of the Motion should also be granted.

THE RELEVANT PARTIES

10. I am the receiver for two groups of hedge funds referred to as the "**PPCO Funds**" and the "**PPLO Funds**." The PPCO Funds include the following Receivership Entities: PPCO (the master fund, which made investments); four feeder funds that accepted investments from investors – US Feeder, TE Feeder, Int'l Feeder, and Int'l (A) Feeder – and Blocker (established for tax purposes). Another Receivership Entity, the PPCO Funds' portfolio manager, PPCO

Portfolio Manager, managed their investments.

11. The PPLO Funds include two Receivership Entities: Platinum Partners Liquid Opportunity Master Fund L.P. and Platinum Partners Liquid Opportunity Fund (USA) L.P. Platinum Liquid Opportunity Management (NY) LLC, also a Receivership Entity, is their portfolio manager.

12. PPCO has more than 60 direct and indirect subsidiaries. The Subsidiaries include, among others, ALS and ALS Life and their parent, Credit Strategies LLC (“*Credit Strategies*”). ALS and ALS Life were formerly in the business of purchasing, paying premiums on, and collecting benefits on life insurance policies issued to insureds.

13. PPCO is the sole and managing member of Credit Strategies, which owns approximately 65% of the membership interests in ALS. ALS, in turn, is the sole member of ALS Life.

14. Pursuant to a February 17, 2017 Escrow Agreement (the “*ALS Escrow Agreement*”) by and among ALS and ALS Life (acting through the prior receiver of the Receivership Entities, Bart M. Schwartz), Vida Longevity Fund, LP (“*Purchaser*”) and Mills, Potoczak & Co. (the “*ALS Escrow Agent*”) proceeds from the sale of certain life insurance policies sold by ALS and ALS Life to Purchaser are being held in escrow by the ALS Escrow Agent. A February 17, 2017 letter (the “*Escrow Direction Letter*”) from Credit Strategies, ALS and ALS Life to BAM Admin sets forth the terms under which the funds being held pursuant to the Escrow Agreement in the amount of \$6,365,409.11 (the “*Remaining Escrow Proceeds*”) will be released. Pursuant to the Escrow Direction Letter, ALS, ALS Life and Credit Strategies agreed that the Remaining Escrow Proceeds will remain with the ALS Escrow Agent until such time as ALS, ALS Life, Credit Strategies, SHIP, BCLIC, WNIC and BBIL all agree in writing to the disbursement and application of the Remaining Escrow Proceeds pursuant to Section 5 of the ALS Escrow

Agreement.

15. PPCO also owns at least 45% of the membership interests in PGS, the other member of which is PPVA, which is in liquidation in the Cayman Islands and is now under the control of court-appointed joint official liquidators (the “**JOLs**”).

16. SHIP is an insurance company domiciled in Pennsylvania and based in Indiana that was formerly in the business of writing long-term care insurance policies and is currently in receivership. Fuzion is an affiliate of SHIP.

17. BCLIC and WNIC are insurance companies based in Indiana that formerly wrote long-term care insurance; CNO is their parent; 40|86 Advisors is their affiliate.

18. The final group of parties relevant to this matter – referred to herein as the “**Beechwood Parties**” – include a web of domestic and offshore entities that were owned by a series of trusts, the beneficiaries of which include Moshe Feuer (“**Feuer**”), Scott Taylor (“**Taylor**”) and various Platinum principals and/or their family members and associates, and were purportedly involved in the business reinsurance and investment advisory businesses, and their principals, Feuer and Taylor. The “**Beechwood Parties**” are: BBIL, BRe, BBL, Beechwood Capital Group, LLC (“**BCG**”), Beechwood Re Investments, LLC (“**BRILLC**”), B Asset Manager LP (“**BAM I**”), BAM Admin, B Asset Manager II (“**BAM II**”), Beechwood Re Holdings Inc. (“**BReHo**”), Feuer and Taylor. The Beechwood Parties are responsible for bringing PPCO and PPVA together with the SHIP Parties and the CNO Parties and were or are defendants in multiple litigations and/or arbitrations in which SHIP, BCLIC, WNIC and PPVA assert numerous claims against various Beechwood Parties. *See, e.g., Senior Health Insurance Company of Pennsylvania v. Beechwood Re Ltd., et al.*, No. 18-cv-06658 (S.D.N.Y.); *Trott v. Platinum Management (NY) LLC, et al.*, 18-cv-10936 (S.D.N.Y.).

THE SECURED DEBT

A. The December 2015 Transaction

19. On or about December 23, 2015, PPCO issued a \$15.5 million “Delayed Draw Demand Note” pursuant to which SHIP made secured loans to PPCO (the “**SHIP Note**”). SHIP disbursed \$14.2 million under the SHIP Note to purchase at face value \$9.2 million of notes issued by Desert Hawk Gold Corp., a severely distressed company, and to discharge at face value \$5.0 million of notes in LC Energy Operations LLC, another severely distressed company. The SHIP Note was secured by a December 23, 2015 Master Security Agreement (the “**MSA**”), which granted BAM Admin, as agent for SHIP, security interests in substantially all of the assets of PPCO and of 35 of the Subsidiaries, including ALS. On December 15, 2015, BAM Admin, as “Agent,” filed a UCC-1 Financing Statement with the Delaware Secretary of State as to PPCO.

20. On or about January 20, 2016, PPCO issued an \$18.5 million “Amended and Restated Delayed Draw Demand Note” (the “**A&R SHIP Note**”), which replaced the SHIP Note, pursuant to which SHIP disbursed an additional \$2 million to PPCO. The MSA remained in place.

B. The March 2016 Transaction

21. On March 21, 2016, PPCO and BAM Admin entered into a Note Purchase Agreement (the “**NPA**”) pursuant to which PPCO issued notes to the following secured lenders (the “**Original Noteholders**”) in the following amounts (the “**PPCO Notes**”):

PPCO Note	Purchaser/Noteholder	Principal Amount of Note
1	SHIP	\$42,963,949.04 (\$123,190.55 consisting of accrued interest)
2	BRe BCLIC Primary	\$10,000,000
3	BRe BCLIC Sub	\$500,000
4	BRe WNIC 2013 LTC Primary	\$14,989,677.78

5	BRe WNIC 2013 LTC Sub	\$700,000
	TOTAL	\$69,153,626.82

The A&R SHIP Note was rolled into PPCO Note 1.

22. The additional funds disbursed under the PPCO Notes were used to purchase notes issued by Northstar Offshore GOM Holdings LLC – a third distressed company then on the verge of bankruptcy – from BRe WNIC 2013 LTC Primary and SHIP at face value for \$52.8 million.

23. PPCO and BAM Admin, as Agent, simultaneously entered into an Amended and Restated Master Security Agreement dated March 21, 2016 (the “**A&R MSA**”), in which PPCO granted BAM Admin, as Agent, a security interest in substantially all of PPCO’s assets. In a March 21, 2016 “Subsidiary Guaranty” (the “**A&R Subsidiary Guaranty**”), thirty-six “Guarantors,” all of which were Subsidiaries, including ALS, guaranteed the amounts due under the PPCO Notes.

C. Ownership of the PPCO Notes as of September 30, 2019

24. At various times after March 21, 2016, the Original Noteholders and/or their assignees or participants, entered into assignment agreements, participation agreements and/or elevation agreements (which elevated participations into assignments) with respect to specified portions of the PPCO Notes, and, in some cases, the assignees or participants entered into further assignments.

25. A pdf copy of a spreadsheet entitled “PPMF Debt Registry” dated as of September 30, 2019 (the “**Debt Registry**”), which my attorneys received from SHIP’s attorneys, is attached hereto as **Exhibit C**. The Debt Registry SHIP provided to my counsel was provided to SHIP by BAM Admin, which purportedly maintained the Debt Registry pursuant to Section 10.5(b) of the NPA. According to the Debt Registry, as of September 30, 2019, the following entities owned, as

“Lender of Record,” Secured Debt issued by PPCO with the following amounts of outstanding principal and accrued interest⁴:

Lender of Record	Principal Amount of Secured Debt Held as Lender of Record	Accrued Interest	Definition
SHIP	\$27,355,042.17	\$6,772,942.93	“SHIP Secured Debt”
BCLIC	\$6,079,417.95	\$1,530,715.27	“BCLIC Secured Debt”
WNIC	\$1,642,428.50	\$413,541.34	“WNIC Secured Debt”
BBIL	\$9,532,669.40	\$2,486,508.13	“BBIL Secured Debt”
PBLA ULICO 2017	\$339,261.21	\$79,668.15	“PBLA ULICO 2017 Secured Debt”
BBIL ULICO 2014	\$1,530,543.58	\$397,883.98	“BBIL ULICO 2014 Secured Debt”
OMNIA Ltd.	\$2,660,350.89	\$777,163.67	“OMNIA Secured Debt”
PGS	\$30,650,512.27	\$5,951,657.98	“PGS Secured Debt”
TOTAL	\$79,790,255.97	\$18,410,101.46	

26. In all, according to the Debt Registry, as of September 30, 2019, SHIP, BCLIC, WNIC and BBIL collectively owned, as “Lender of Record,” Secured Debt with outstanding principal of \$44,609,588.03, and the other Noteholders owned, as “Lender of Record,” the remaining \$35,180,667.94 of Secured Debt.

THE RECEIVERSHIP AND THE PROOFS OF CLAIM

27. On the Receivership Date, this Court placed certain of the Receivership Entities in receivership (the “*Receivership*”) and appointed Bart M. Schwartz as receiver.

28. On July 6, 2017, I replaced Mr. Schwartz as receiver for the original Receivership Entities. ECF No. 276.⁵ The Court later added three of the Receivership Entities to the Receivership. ECF No. 297.

29. The deadline for filing proofs of claim in the Receivership was March 29, 2019. On March 26, 2019, BCLIC filed nine proofs of claim against certain of the Receivership Entities

⁴ The principal grew from \$69.2 million to \$79.8 million as a result of recapitalization of interest.

⁵ References to “ECF No. _____” refer to docket entries in this case.

asserting unsecured claims in amounts ranging from \$13 to \$45 million, which were assigned claim nos. 59-67 (the “**BCLIC Proofs of Claim**”). On March 26, 2019, WNIC filed nine proofs of claim against the same Receivership Entities asserting unsecured claims in amounts ranging from \$180 to \$275 million, which were assigned claim nos. 127-135 (the “**WNIC Proofs of Claim**”).

30. On March 28, 2019, BAM Admin filed a proof of claim against PPCO asserting a secured claim against PPCO for approximately \$95 million, as agent for all of the Noteholders, which was assigned claim no. 145 (the “**BAM Proof of Claim**”). (The portions of the BAM Proof of Claim asserted on behalf of BCLIC, WNIC, SHIP and BBIL are referred to, respectively, as the “**BAM-BCLIC Proof of Claim**,” the “**BAM-WNIC Proof of Claim**,” the “**BAM-SHIP Proof of Claim**” and the “**BAM-BBIL Proof of Claim**.”)

31. PGS, PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA Ltd. did not file proofs of claim in the Receivership.

32. On March 29, 2019, SHIP filed ten proofs of claim asserting secured claims against the Receivership Entities for \$34,427,980.86 and unsecured claims in unspecified amounts, which were assigned claim nos. 247-49, 253-58 and 326 (the “**SHIP Proofs of Claim**”). On March 29, 2019, Fuzion filed ten proofs of claim asserting “[p]otential [c]laims” in unspecified amounts against the Receivership Entities, which were assigned claim nos. 237-46 (the “**Fuzion Proofs of Claim**”).

THE INVESTIGATION CONDUCTED BY MY TEAM

33. Under the Receivership Order, I am authorized and required to investigate the Receivership Entities’ financial and business affairs and institute such actions and proceedings as she deems necessary and appropriate. *See* Receivership Order, ¶ 35. My team and I, including attorneys at Otterbourg PC and financial advisors at Goldin Associates, LLC, have collectively spent thousands of hours investigating the financial and business affairs of the Receivership

Entities. As part of our investigation, my team analyzed hundreds of thousands of documents (including emails) and thousands of pages of trial testimony from the criminal prosecutions of certain Platinum insiders and ran thousands of searches of millions of pages of electronically stored information, including through the use of an artificial intelligence program. My counsel also researched relevant case law to support liability and damage claims belonging to the Receivership Estate. The investigation further required the development of viable damage models and causation theories to support the Receivership Entities' potential claims. Investigation and prosecution of the Receivership Estate's potential claims also required hundreds of hours of investigation and analysis of the background, structure, history and transactions of the complex web of Platinum entities, and the financial transactions, interrelationships and communications between and among the Platinum entities and their creditors and investors.

THE SDNY ACTION

34. As a result of the investigation conducted by my team, I concluded, among other things, that the notes, note purchase agreement, security agreements, assignments and related transactions in December 2015 and March 2016 transferred tens of millions of dollars of value from PPCO to SHIP, the Accounts (as proxies of BCLIC and WNIC), BBIL and BRe by, among other things, ridding the four Accounts (as proxies for BCLIC and WNIC), SHIP, BBIL (in part as a proxy for other entities) and BRe of notes they held that were issued by three distressed companies, which had little to no chance of performing, and a receivable from an equally financially-precarious PPVA, while leaving the Receivership Entities and their portfolio companies saddled with \$69.2 million of debt secured by liens against all of their assets. The CNO Parties and the SHIP Parties have disputed these conclusions.

35. On December 19, 2018, I commenced, through counsel, the SDNY Action against, among other defendants, the CNO Parties, the SHIP Parties, BAM Admin, as agent and for itself,

and various Beechwood Entities. On March 29, 2019, my counsel filed a First Amended Complaint in the SDNY Action (the “**FAC**”). In the FAC, I asserted 19 causes of action against 21 defendants, for alleged violations of the Racketeer Influenced and Corrupt Organizations Act (“**RICO**”) and the Securities Exchange Act, aiding and abetting breach of fiduciary duty, aiding and abetting fraud, constructive and actual fraudulent conveyance under the N.Y. Debtor & Creditor Law (“**NYDCL**”), unjust enrichment and declaratory judgment. The Receivership’s claims under the NYDCL §§ 273-78 allege that the notes, note purchase agreement, security agreements, assignments and related transactions in December 2015 and March 2016 were actually and constructively fraudulent under the NYDCL because they were designed to transfer, and did transfer, tens of millions of dollars of value from PPCO and the Subsidiaries to SHIP, the Accounts (as proxies of BCLIC and WNIC), BBIL, BRe and others in the manner described above. I have asserted claims against BAM Admin, as agent for all of the Original Noteholders, which include, in addition to the original noteholders, BBIL, PGS, PBLA ULICO 2017, BBIL ULICO 2014 and Omnia Ltd., all of which are subsequent transferees of the initial transfers. The Receivership’s claims for unjust enrichment, declaratory judgment, and aiding and abetting breach of fiduciary duty and fraud arise, in part, out of those transactions.

36. In a “bottom-line” Order issued on August 18, 2019 (the “**Bottom Line Order**”), and an Opinion and Order issued on October 7, 2019 (the “**Opinion and Order**”), the SDNY Court granted motions to dismiss all of the Receiver’s claims against CNO, 40|86 Advisors, Fuzion, BRILLC, BAM I, BAM II, BReHo, Feuer and Taylor, and dismissed some of the claims against certain other defendants. SDNY Action ECF No. 380. The following claims remained pending:

DEFENDANT	REMAINING CLAIMS
BRe	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
BBIL	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
BBL	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
BAM Admin	aiding and abetting breach of fiduciary duty, aiding and abetting fraud, NYDCL (as agent), declaratory judgment (as agent)
BCLIC	NYDCL, unjust enrichment, declaratory judgment
WNIC	NYDCL, unjust enrichment, declaratory judgment
SHIP	NYDCL, unjust enrichment, declaratory judgment
the Accounts	RICO, securities fraud, aiding and abetting breach of fiduciary duty, aiding and abetting fraud, NYDCL, unjust enrichment, declaratory judgment
PB Investment Holdings Ltd. (“ <i>PBIHL</i> ”)	aiding and abetting breach of fiduciary duty, aiding and abetting fraud

37. The Bottom-Line Order and the Opinion and Order, did not dismiss any of the Receivership’s claims under the NYDCL, which remain pending against BCLIC, WNIC, SHIP and BAM Admin, as agent for all of the Noteholders. After the issuance of the Bottom-Line Order and the commencement of discovery, my counsel began extensive good-faith, arm’s-length negotiations with the CNO Parties. Those efforts led to an agreement in principle with the CNO Parties on November 1, 2019, and execution of the CNO Settlement Agreement on July 1, 2020.

38. After the close of discovery, which included the production of millions of documents and dozens of depositions, on February 14 and 15, 2020, SHIP, PBIHL, BAM Admin, BBIL and BBL filed Motions for Summary Judgment seeking dismissal of all claims against them in the FAC. On February 14, 2020, my counsel filed a motion for partial summary judgment against SHIP seeking a ruling that certain of the Beechwood Parties were agents for SHIP and any knowledge of those Beechwood Parties should be imputed to SHIP. Those Motions were fully briefed. Oral argument was held on PBIHL’s Motion for Summary Judgment on April 7, 2020. In an Opinion and Order dated April 15, 2018 (SDNY Action ECF No. 528), the SDNY Court

granted PBIHL's Motion for Summary Judgment.

39. On April 6, 2020, on the eve of oral argument on the other motions for summary judgment, Patrick Cantilo, Esq., as Special Deputy Rehabilitator of SHIP, and I, as equity receiver for PPCO and related entities, executed a term sheet for a settlement between the Receivership Entities and SHIP. SHIP was required to "deliver" certain agreements from the Beechwood Parties, including, for example, a release by Beechwood of certain liens, claims and debt against PPCO. The SDNY Court adjourned the hearing on the motions for summary judgment filed by SHIP, BAM Admin, BBIL and BBL to June 18, 2020. At the parties' request, the SDNY Court thereafter cancelled that oral argument, but stated by minute order that, if the parties did not fully settle by July 1, 2020, at 5:00 p.m., then the SDNY Court would render its decision. The SDNY Action is stayed as to BRe.

THE SETTLEMENT AGREEMENTS

40. The proposed Settlement Agreements are the culmination of years and, collectively, thousands of hours of analysis, litigation and negotiation by my team and me. Each was negotiated and entered into as a result of arm's-length and hard-fought negotiation. The following are summaries of the provisions of both agreements. Both summaries are qualified by reference to the specific terms in the Settlement Agreements, copies of which are attached as Exhibits A and B to this Declaration. All capitalized terms not expressly defined herein have the meanings given to them in the Settlement Agreements.

A. The CNO Settlement Agreement

41. The CNO Settlement Agreement includes the following terms, among others:

42. Issue	Terms
Prior Approval of this Court	The Agreement is subject to, and will not become effective unless and until a final, non-appealable order is entered by this Court approving it.
Mutual Releases	The Agreement provides for mutual releases between (i) the Platinum Plaintiffs and their subsidiaries, and (ii) the CNO Parties, with limited exceptions. As part of these releases, BCLIC and WNIC will release PPCO and the Subsidiaries from the BCLIC Secured Debt and the WNIC Secured Debt (\$7,721,846.45 of principal and \$1,944,256.61 of accrued interest as of September 30, 2019).
Allowance of General Unsecured Claim	The Receivership Entities will allow the CNO Defendants a general unsecured, non-priority claim against the Receivership Estate in the total amount of \$1,000,000 (the “ <i>Allowed Claim</i> ”).
Withdrawal of Proofs of Claim	The BCLIC Proofs of Claim and the WNIC Proofs of Claim will be disallowed and expunged except as to the Allowed Claim. BCLIC and WNIC will instruct BAM Admin to withdraw the BAM-BCLIC Proof of Claim and the BAM-WNIC Proof of Claim with prejudice.
Stipulation of Dismissal with Prejudice	The parties will execute a stipulation of dismissal with prejudice in which the Receiver will dismiss her claims against the CNO Parties with prejudice and without costs against any party.
Release of Claims to Remaining Escrow Proceeds	BCLIC and WNIC will release any and all right, title, claim and interest that they assert with respect to the Remaining Escrow Proceeds (approximately \$6.3 million) and execute related documents reasonably requested by the Receiver and/or the ALS Escrow Agent.
Venue and Choice of Law	The Parties consent and submit to the exclusive jurisdiction of this Court in actions or proceedings relating to the Agreement and that New York law will govern disputes arising from the Agreement.

B. The SHIP Settlement Agreement

43. The SHIP Settlement Agreement includes the following terms, among others:

Issue	Terms
Conditions Precedent	The Agreement and the settlement provided for therein are conditioned upon the occurrence of each of the following events: (a) the execution of the SHIP-Beechwood Agreement (as defined below) granting SHIP each of the Beechwood Deliverables (as defined below); and (b) this Court shall have entered an order (in a form and substance mutually acceptable to the Parties) approving the Agreement (the “ <i>Approval Order</i> ”). The “Beechwood Deliverables” consist of the following interests and/or

	<p>deliverables to be acquired by SHIP by one or more separate agreement(s) with the Beechwood Parties (the “SHIP-Beechwood Agreement”): (i) acquisition by SHIP of the Beechwood Parties’ rights, title and interests of in, to and under the NPA, PPCO Notes, MSA, Ratification Agreement, A&R MSA, Subsidiary Guaranty, A&R Subsidiary Guaranty, UCC-1s and Proofs of Claim, including, but not limited to, the BBIL Secured Debt and except for any rights, title or interest in, to and under the Loan Documents held by BAM Admin, solely in its capacity as agent (collectively, the “SHIP Acquired Interests”), which will then be covered by the SHIP Parties’ releases and covenants to sue described below; (ii) general releases executed by the Beechwood Parties of any and all claims or equity interests against the Receivership Entities or the Subsidiaries (other than held by BAM Admin, as agent); (iii) documentation executed by BBIL and delivered to the Receiver effecting BBIL’s release of any entitlement to any of the Remaining ALS Escrow Proceeds, and to the release from escrow of the Remaining ALS Escrow Proceeds in accordance with the Receiver’s directions; (iv) documentation executed by BAM Admin to secure the release of the ALS Escrow Proceeds; (v) the Beechwood Parties’ signatures on a stipulation of dismissal (A) dismissing the Receiver’s claims against BAM, as agent without prejudice or costs against any party and with a waiver of costs under Fed. R. Civ. P. 41(d), and (B) dismissing with prejudice the Receiver’s claims against BAM Admin in its own right and the other Beechwood Parties, without costs or attorneys’ fees against any party.⁶</p>
Mutual Releases between the Receiver and the SHIP Parties	<p>The Agreement provides that the Receiver, on behalf of the Receivership Entities and the Subsidiaries other than PGS, on one hand, and SHIP, on the other hand, will exchange general releases of all secured and unsecured claims (including equity interests). In particular, (a) SHIP will release PPCO and the PPCO Subsidiaries (which do not include PGS) from the SHIP Secured Debt (\$27,355,042.17 in principal and \$6,772,942.93 of interest as of September 30, 2019); and (b) SHIP will either (i) purchase from BBIL and then release and discharge the BBIL Secured Debt (\$9,532,669.40 in principal and \$1,407,568.40 of interest as of September 30, 2019), as to PPCO and the Subsidiaries other than PGS, or (ii) cause BBIL to release and discharge the BBIL Secured Debt.</p>
Withdrawal of Proofs of Claim	<p>SHIP and Fuzion will withdraw, with prejudice, the ten SHIP Proofs of Claim and the ten Fuzion Proofs of Claim and SHIP and Fuzion will instruct BAM Admin to withdraw the BAM-SHIP Proof of Claim and the BAM-BBIL Proof of Claim with prejudice.</p>
Payment of \$14 Million by PPCO	<p>The Receiver will pay the \$14 million Settlement Amount as follows: (a) \$9,469,844.32 to SHIP; and (b) \$4,530,155.68 (the “Indemnity Escrow Amount”) to the “Indemnity Escrow Agent.”</p>
Indemnification	<p>SHIP will indemnify and hold the PPCO Parties harmless against all</p>

⁶ Because the Receiver will not be entering into a direct agreement with the Beechwood Parties, the SHIP Settlement Agreement requires SHIP to secure the Beechwood Deliverables from the Beechwood Parties.

of Claims Based on Secured Debt Owned by PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA	expenses, losses, claims, proofs of claim, damages, suits, proceedings and liabilities, including, without limitation, reasonable attorneys' fees and expenses, arising from the PBLA ULICO 2017 Secured Debt, the BBIL ULICO 2014 Secured Debt and/or the OMNIA Secured Debt, up to a maximum of the Indemnity Escrow Amount of \$4,530,155.68, which is the total alleged outstanding principal on that Secured Debt.
Release of Funds in ALS Escrow Account	SHIP will release, and obtain releases from BBIL for, any claims to the funds in the ALS Escrow Account. SHIP will deliver, and cause BBIL and BAM Admin to deliver, appropriate documentation designed to allow the release of the Remaining Escrow Proceeds.
Stipulation of Dismissal with Prejudice in Favor of SHIP	The Receiver will enter into a stipulation of dismissal with prejudice with SHIP dismissing her claims against SHIP in the SDNY Action with prejudice, without costs or attorneys' fees as to any party.
Delaware Litigation	On June 7, 2019, PGS filed a complaint in the Delaware Chancery Court (Case No. 2019-0431) against numerous defendants, including SHIP, certain Beechwood Parties, and others asserting certain claims relating to PGS' ownership of a promissory note convertible into 95% of the common equity of energy reseller Agera Energy (the " DE Action "). The DE Action is unaffected by the releases in the Agreement, except that the PPCO Party Releasors shall not directly assert claims against the SHIP Party Releasees, and the SHIP Party Releasors shall not directly assert claims against the PPCO Party Releasees (who do not include PGS) in the DE Action. The Agreement does not bar the SHIP Party Releasors from asserting claims or defenses against any party to the DE Action.
Stipulation of Dismissal with Prejudice in Favor of BBIL, BBL and BRe	The Receiver will enter into a stipulation dismissal with prejudice with BBIL, BBL and BRe of her claims against those parties with prejudice.
Stipulation of Dismissal without Prejudice in favor of BAM Admin, as agent	Subject to approval of the SDNY Court, the Receiver will enter into a stipulation of dismissal without prejudice with BAM Admin dismissing her claims against BAM Admin, as agent, without prejudice, without costs against any party, and BAM Admin will waive any right to recover costs under Fed. R. Civ. P. 41(d) if such claims are re-filed.
Venue and Choice of Law	The Parties consent and submit to the exclusive jurisdiction of this Court over any actions or proceedings relating to the enforcement or interpretation of the Settlement Agreement and agree that New York law will govern claims and disputes arising from the Agreement.

**MY PLAN FOR RESOLVING THE SECURED DEBT HELD BY
NOTEHOLDERS OTHER THAN BCLIC, WNIC, SHIP AND BBIL**

44. After the Settlement Agreements have been fully implemented, the PGS Secured Debt (principal amount \$30,650,512.27), the PBLA ULICO 2017 Secured Debt (principal amount \$339,261.21), the BBIL ULICO 2014 Secured Debt (principal amount \$1,530,543.58) and the OMNIA Secured Debt (principal amount \$2,660,350.89) will still be in place. I plan to seek to eliminate the remaining Secured Debt in the manner described below.

45. **The PGS Secured Debt:** Prior to the Receivership Date, PPCO and PPVA entered into numerous transactions with each other, including various joint investments. They hold a joint investment in PGS, 55% of which is allegedly owned by PPVA and 45% of which is owned by PPCO. For the past several months, I have been engaged in negotiations with the JOLs to disentangle PPVA's and PPCO's interests from each other and resolve all of the claims between them.

46. **The PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA Secured Debt:** The remaining Secured Debt is allegedly owned by PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA Ltd, which collectively are listed as holders of "Lender of Record" Secured Debt having a combined outstanding principal of \$4,530,155.68 on the Debt Registry provided by BAM Admin. As noted above, in the SHIP Settlement, the SHIP Parties are indemnifying me for up to that amount, with the funds for the indemnity obligation to be paid into escrow as part of the Settlement Amount. I anticipate that this should be sufficient to discharge the Secured Debt owned by these entities. I expect to work with SHIP to develop a strategy for resolving the remaining Secured Debt in the Receivership.

MY AUTHORITY TO ENTER INTO THE SETTLEMENT AGREEMENTS

47. The Receivership Order grants me broad authority as Receiver, including the power to compromise or adjust actions or proceedings such as the SDNY Action and proofs of claim.

Paragraph 34 of the Receivership Order provides:

Subject to the requirement, in Section VII above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, ***compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in the Receiver's discretion, be advisable or proper to recover and/or conserve Receivership Property.*** [Emphasis added.]

48. Because the SHIP Settlement Agreement and the CNO Settlement Agreement involve the compromise and adjustment of actions and proceedings, paragraph 34 grants me discretion to compromise the SDNY Action and to compromise and adjust the BCLIC Claims, the WNIC Claims, the SHIP Claims, the Fuzion Claims and the BAM Admin Claim.

49. Paragraph 28 of the Receivership Order provides:

The Receiver may, without further Order of this Court, ***transfer, compromise, or otherwise dispose of Receivership Property*** in the ordinary course of business of the Receivership Entities' orderly wind down, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate. [Emphasis added.]

50. The Secured Debt is one of the primary obstacles to the successful completion of the Receivership and formulation of a plan of liquidation. Because the Settlement Agreements are the first step in my plan to eliminate all Secured Debt of the Receivership Entities, so that funds can be available for a distribution to unsecured creditors and investors, they will further an orderly wind down of the Receivership Estate on terms most beneficial to the Receivership Estate, in which funds are available for distribution to unsecured creditors and investors. Consequently, paragraph 28 also gives me the right to enter into the Settlement Agreements, and transfer property and compromise claims in connection therewith, "without further Order of this Court."

51. The Receivership Order defines “Receivership Property” to include “all property interests of the Receivership Entities, including, but not limited to, monies ... securities, ... goods, chattels, ... claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly.” Receivership Order, ECF No. 276, ¶ 6(A). Thus, Receivership Property includes not only assets of the PPCO Receivership Entities themselves, but also those of the Subsidiaries.

52. In the SDNY Action, Judge Rakoff ruled, under this definition, that the assets of any of the Subsidiaries that are majority-owned indirectly by PPCO are “Receivership Property”:

Pursuant to the Receivership Order, the Receiver has the “right to sue for and collect ... from third parties all Receivership Property,” which includes the guarantee interests granted by the PPCO Subsidiaries... This is because “[e]ach of the [PPCO Subsidiaries] is majority owned by PPCO, with ultimate corporate authority belonging to PPCO,” and the “Receivership Property” is defined as “all property interests of the Receivership Entities, including, but not limited to, monies ... claims, rights and other assets, together with all ... other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly.”

In re Platinum-Beechwood Litig., 427 F. Supp. 3d 395, 455 (S.D.N.Y. 2019).

53. Consequently, not only am I permitted to compromise and transfer assets and claims of PPCO in connection with the Settlement Agreements, but I am also permitted to compromise claims and transfer assets of any of the Subsidiaries that are majority owned by PPCO in connection with those agreements.

54. Both ALS and ALS Life, which are funding part of the Settlement Amount, are majority-owned by PPCO, and PPCO has the power to cause them to act, because:

- PPCO is the sole member of Credit Strategies. *See* Amended and Restated Limited Liability Company Agreement of Credit Strategies, LLC (the “**CS LLC Agreement**”), a copy of which is annexed hereto as **Exhibit D**, § 3. As such, PPCO “manage[s] the Company” and has “the sole power and authority to take any and all actions necessary or convenient to or for the furtherance of the purposes of the

Company set forth in [the CS LLC] Agreement” (CS LLC Agreement, Ex. D hereto, § 4), thereby empowering PPCO to cause Credit Strategies to act.

- Credit Strategies, in turn, owns 65% of the membership interests in, and at all times since August 19, 2014 has been the sole “Manager” of ALS. (*See* ALS Capital Ventures LLC Operating Agreement (the “**ALS OA**”), a copy of which is annexed hereto as **Exhibit E**, § 5.01; First Amendment to Operating Agreement of ALS Capital Ventures LLC, a copy of which is annexed hereto as **Exhibit F**, at § 6; ALS Capital Ventures, LLC Written Consent of the Manager to Action Taken Without a Meeting, a copy of which is annexed hereto as **Exhibit G**, at 1.) The ALS OA provides that “[t]he powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager,” and authorizes the manager “to act for or on behalf of the Company, to do any act that would be binding on the Company or incur any expenditures on behalf of the Company.” (ALS OA, Ex. E hereto at § 5.01.)
- ALS, in turn, is the “Sole Member” and “Operating Manager[.]” of ALS Life, in which “Management of the Company [is] vested,” who “solely and exclusively” control the conduct of its business and “have and may exercise on behalf of the Company all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes, business and objectives of the Company...” (Operating Agreement of ALS Life, a copy of which is annexed hereto as **Exhibit H**, at §§ 5.1, 5.4, p. 15 & Schedule 1.)
- In recognition of these powers on the part of PPCO, this Court has previously approved sales of insurance policies held by ALS and ALS Life during the course of the Receivership.

55. Because the assets and claims of PPCO and the Subsidiaries which it majority owns are all “Receivership Property,” Court approval is not necessarily required in order to compromise the claims of PPCO and its majority owned Subsidiaries or transfer their property in connection with such a compromise. This includes my decision to use up to approximately \$1.8 million of funds of ALS (approximately 11.8%, of the Settlement Amount) and to use at least \$12,353,437.38 (or 88.2% of the Settlement Amount) of funds of PPCO to fund the \$14 million Settlement Amount. Nonetheless, I am seeking this Court’s approval of the Settlement Agreements in an effort to be transparent to all stakeholders in this case and provide them with an opportunity to be heard on this issue should they choose to speak.

56. I am also permitted to take these actions under paragraph 6(G) of the Receivership Order, which permits me to “take such action as necessary and appropriate for the preservation of Receivership Property....” If I am unsuccessful in avoiding the BCLIC Secured Debt, the WNIC Secured Debt, the SHIP Secured Debt, and the BBIL Secured Debt in the SDNY Action, then all of the assets of the Receivership Estate, which are worth less than the \$44 million of outstanding principal amount of the Secured Debt owned by those creditors, will likely be consumed by the Secured Debt and related liens, leaving nothing for unsecured creditors and investors. Consequently, the Settlement Agreements further the interest of “preservation of Receivership Property” and are authorized on that ground as well.

57. As Receiver, I am also authorized to “take any action which, prior to entry of this Order, could have been taken by the officers, directors, managers, managing members, and general and limited partners, and agents of the Receivership Entities.” (Receivership Order, ¶ 6(E).) For the reasons set forth above, PPCO, and therefore the officers, directors, managers, managing members, general and limited partners, and agents of PPCO and of its “Portfolio Manager,” PPCO Portfolio Manager (also in Receivership), who together control PPCO, could have caused PPCO and the Subsidiaries it majority owns to enter into the Settlement Agreements. Consequently, I am also authorized to enter into and fund the Settlement Agreements under paragraph 6(E) of the Receivership Order.

58. To summarize, Paragraphs 6, 28 and 34 of the Receivership Order confirm that, as Receiver, I have broad discretion to enter into the Settlement Agreements. While I believe that those provisions grant me the authority to enter into and fund the settlements without this Court’s approval, in the interest of transparency, in an abundance of caution in light of the large amount of the Settlement Amount, and to give all stakeholders an opportunity to be heard on an important matter that may affect their interests, the Receiver seeks Court approval of the Settlement

Agreements.

MY DECISIONS TO ENTER INTO THE SETTLEMENT AGREEMENTS AND AS TO THE ALLOCATION OF FUNDS USED IN THE SETTLEMENT AGREEMENTS ARE A SOUND EXERCISE OF MY BUSINESS JUDGMENT

A. The Basis of My Decision to Enter into the Settlement Agreements

59. Taking into consideration not only the merits of the claims, but also the risks, uncertainties, and expenses associated with the SDNY Action, as well as the potential amount that might or might not be recovered from a judgment, my decision to enter into the Settlement Agreements and to utilize funds of PPCO and of ALS for the Settlements is fair and reasonable to all parties and a sound exercise of my business judgment on behalf of the Receivership Entities and the Subsidiaries.

60. In my opinion, the benefits of the Settlement Agreements to the Receivership Entities and the Subsidiaries greatly outweigh the risks and costs of continued litigation. *First*, the Settlement Agreements provide several critical benefits to the Receivership Estate:

- They eliminate approximately \$44.6 million (principal amount) of the approximately \$79.8 million (principal amount) of Secured Debt purportedly outstanding against PPCO and its majority-owned Subsidiaries as of September 30, 2019, eliminating a primary obstacle to the successful completion of the Receivership with an orderly wind down, in which unsecured creditors and/or investors will some receive payment on their interests.
- The Settlement Agreements are a necessary and crucial step toward my goal of eliminating the remaining impediments to a distribution to unsecured creditors and/or investors. Once the Settlement Agreements have been fully implemented, the PGS Secured Debt (principal amount \$30,650,512.27), the PBLA ULICO 2017 Secured Debt (principal amount \$339,261.21), the BBIL ULICO 2014 Secured Debt (principal amount \$1,530,543.58) and the OMNIA Secured Debt (principal amount \$2,660,350.89) will still be in place. I expect to obtain the release of the PGS Secured Debt in a separate agreement that, if consummated, will result in no use of Receivership funds. Moreover, while the Settlement Agreements do not eliminate the purported all-asset lien allegedly held by the other Noteholders in its entirety, \$4.5 million of the Settlement Amount will be held in escrow to indemnify the Receivership for any future claims by them, should it be determined that those parties are entitled to such claims notwithstanding that they did not file proofs of claim.

- The Settlement Agreements will resolve 38 Proofs of Claim filed by BCLIC, WNIC, SHIP and Fuzion and a portion of the BAM Proof of Claim.
- The Settlements will also enable the Receivership to obtain release of the \$6.3 million ALS Escrow Account.

61. *Second*, following the Opinion and Order, the only surviving claims against BCLIC, WNIC and SHIP in the SDNY Action are avoidance claims under the NYDCL, unjust enrichment claims, and declaratory judgment claims, which, if successful, would yield a result no better than avoidance of the BCLIC Secured Debt, the WNIC Secured Debt and the SHIP Secured Debt. The upside of proceeding with the SDNY Action against those parties is therefore limited. Moreover, even if I succeed in eliminating any liens held by the Noteholders but not their underlying debt, the settling parties could have tens of millions of dollars of unsecured claims that would still drain the estate of millions of dollars.

62. *Third*, the SDNY Action involves a challenge to a facially valid lien asserted by a sophisticated and well-funded group of adversaries that have aggressively defended their positions, and thus presents significant risks on the merits. The following issues affecting the Receiver's claims under the NYDCL, among others, are vigorously contested and involve uncertain outcomes:

- whether I have standing to assert claims under the NYDCL;
- whether PPCO received fair consideration in the December 2015 and March 2016 transactions;
- whether those transactions exhibit the requisite badges of fraud from which a court could find the transactions were entered into with actual fraudulent intent;
- whether PPCO was insolvent at the time of the December 2015 and March 2016 transactions, or rendered insolvent by those transactions;

- whether the defendants acted in “good faith”; and
- whether my fraudulent conveyance claims are barred in whole or in part by the defenses under NYDCL §§ 278(1) and (2).

63. Each of these issues presents a serious risk that (a) that the SDNY Court could grant the defendant summary judgment on my claims under the NYDCL, or (b) the defendants could defeat those claims at trial or on appeal. Success by SHIP alone could mean the entire Receivership Estate is consumed by the SHIP Secured Debt, leaving no distribution to unsecured creditors or investors. An adverse result on summary judgment or at trial would also involve a collateral estoppel risk that could benefit all of the Noteholders.

64. ***Fourth***, a decision on the summary judgment motions filed by SHIP and BAM Admin involving many of these issues, with an uncertain outcome, was imminent when the Settlement Agreements were executed, with the SDNY Court having stated by minute order that, if the parties did not fully settle by July 1, 2020, at 5:00 p.m., then the SDNY Court would render its decision shortly thereafter. If the action proceeded to trial, then fees and out-of-pocket costs in connection with trial, trial preparation, review of voluminous records, emails and other electronically stored information, *in limine* motions, *Daubert* motions, expert witness costs and preparation, trial and post-trial motions, trial and/or appeals would likely consume millions of dollars, to the detriment of the investors and creditors of the Receivership Entities, with an uncertain outcome.

65. ***Fifth***, the important benefits that the Receivership Estate will realize from the Settlement Agreements outweigh the risks and costs of continuing to pursue the litigation. Importantly, the CNO Settlement Agreement makes no present distribution to the CNO Defendants but grants them an allowed general unsecured claim totaling \$1,000,000. Moreover, the \$14,000,000 payment under the SHIP Settlement, in order to avoid the risk that the SDNY Court

would grant summary judgment dismissing my fraudulent conveyance claims, or that the defendants would prevail at trial or on appeal is also eminently reasonable. For all of these reasons, in my business judgment, based upon my team's years long investigation of the Receivership Entities' affairs and consideration of the range of possible outcomes and expenses remaining to be incurred in the SDNY Action, my decision to enter into the Settlement Agreements represent a fair and reasonable compromise between the parties.

B. The Basis for My Decision as to the Allocation Funds Used in the Settlement

66. My decision to use up to approximately \$1.8 million (approximately 11.8% of the \$14 million Settlement Amount) of funds of ALS and at least \$12,353,437.88 of funds of PPCO to fund the Settlement Amount is also a reasonable exercise of my business judgment and discretion.

67. There are two available sources of payment of the Settlement Amount – funds of PPCO and funds of ALS. As of March 31, 2020, PPCO had cash on hand of \$19,467,591.62 and ALS had cash on hand of \$13,641,732.49 (including funds held in the ALS Escrow Account and the ALS Operating Account). It is appropriate to use funds of both PPCO and ALS to fund the Settlement Amount because the Settlement Agreements benefit both of them. SHIP's purported lien under the MSA extends not only to PPCO, but also to ALS, which guaranteed the Secured Debt under the Subsidiary Guaranty and the A&R Subsidiary Guaranty. If SHIP and/or BBIL prevailed in the SDNY Action, then they could recover from either PPCO or ALS. Consequently, the Settlement Agreements benefit not only PPCO, but also ALS and, by extension, ALS' wholly owned subsidiary, ALS Life.

68. As of the Receivership Date (December 19, 2016), ALS had \$19.5 million of encumbered assets (or approximately 11.8% of the total encumbered assets of ALS and PPCO), and PPCO had \$146,300,000 of encumbered assets (approximately 88.2% of the total of PPCO

and ALS' encumbered assets). Because the percentage of the Settlement Amount that ALS will be contributing is proportionate to the benefit (relative to the Receivership's) that ALS will be receiving in the settlements, the Receiver's decision to use up to approximately \$1.8 million, of the Settlement Amount, of ALS' funds to pay the Settlement Amount is a sound exercise of my business judgment.

CONCLUSION

69. For the reasons set forth herein and in the accompanying Memorandum of Law, I respectfully request that the Court enter an order, in substantially the form annexed hereto as **Exhibit I**, approving the Settlement Agreements and granting such other and further relief as this Court deems appropriate.

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

Executed this 1st day of July 2020, at New York, New York.

/s/ Melanie L. Cyganowski
Melanie L. Cyganowski

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement (this “**Agreement**”) is hereby entered into this 1st day of July, 2020 (the “**Execution Date**”), by and among (1) Melanie L. Cyganowski, in her capacity as the court appointed receiver (the “**Receiver**”) for (i) Platinum Partners Credit Opportunities Master Fund LP (“**PPCO**”), (ii) Platinum Partners Credit Opportunities Fund (TE) LLC, (iii) Platinum Partners Credit Opportunities Fund LLC, (iv) Platinum Partners Credit Opportunities Fund International Ltd, (v) Platinum Partners Credit Opportunities Fund International (A) Ltd, (vi) Platinum Partners Credit Opportunities Fund (BL) LLC, (vii) Platinum Credit Management, L.P., (viii) Platinum Liquid Opportunity Management (NY) LLC, (ix) Platinum Partners Liquid Opportunity Fund (USA) L.P. and (x) Platinum Partners Liquid Opportunity Master Fund L.P. (the entities referred to in the foregoing clauses (i)-(x) shall be collectively referred to as the “**Receivership Entities**”) and (2) PPCO, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd, Platinum Partners Credit Opportunities Fund International (A) Ltd and Platinum Partners Credit Opportunities Fund (BL) LLC (the foregoing collectively, together with the Receiver, the “**Platinum Plaintiffs**”), on the one hand, and (3) (i) CNO Financial Group, Inc. (“**CNO**”), (ii) Bankers Consec Life Insurance Company (“**BCLIC**”), (iii) Washington National Insurance Company (“**WNIC**”), (iv) 40|86 Advisors, Inc. (“**40|86 Advisors**,” and collectively with CNO, BCLIC and WNIC, the “**CNO Defendants**”) and (v) BRE WNIC 2013 LTC Primary, BRE WNIC 2013 LTC Sub, BRE BCLIC Primary and BRE BCLIC Sub (collectively, the “**Accounts**” and collectively with the CNO Defendants, the “**Defendants**”), represented here by Wilmington Trust, N.A. (“**Wilmington Trust**”) in its capacity as former custodian of the Accounts and for the limited purpose of this Agreement on the other hand. Each of the Platinum Plaintiffs and the Defendants shall be referred to singularly as a “**Party**,” and collectively as the “**Parties**.”

RECITALS

WHEREAS, on or about March 21, 2016, PPCO and BAM Administrative Services LLC (“**BAM**”) entered into that certain Note Purchase Agreement (the “**March NPA**”) pursuant to which notes were sold by PPCO to, among others, the following Accounts in the following amounts (the “**CNO Notes**”).

Purchaser	Principal Amount of Note
BRE BCLIC Primary	\$10,000,000
BRE BCLIC Sub	\$500,000
BRE WNIC 2013 LTC Primary	\$14,989,677.78
BRE WNIC 2013 LTC Sub	\$700,000
TOTAL	\$26,189,677.78

WHEREAS, PPCO sold additional notes to certain other parties under the March NPA (together with the CNO Notes, the “**Notes**”).

WHEREAS, **Exhibit A** attached hereto sets forth PPCO’s understanding of the current identity of the owners of the Notes and the amounts outstanding under each Note.

WHEREAS, **Exhibit A** attached hereto also sets forth the Defendants’ understanding of the current identity of the owners of the CNO Notes and the amounts outstanding under each CNO Note.

WHEREAS, pursuant to an Amended and Restated Master Security Agreement dated March 21, 2016 (the “**Security Agreement**”) the amounts due to the holders of the Notes are alleged by BAM and/or certain of the holders of those Notes to be secured by a grant of a security interest by PPCO to BAM, as administrative agent, in substantially all the assets of PPCO and certain “**Assignors**” (defined in the Security Agreement).

WHEREAS, BAM, as agent, filed a UCC Financing Statement with the Delaware Secretary of State to evidence its purported security interest in PPCO’s assets on or about December 15, 2015.

WHEREAS, in connection with the March NPA, the parties entered into a March 21, 2016 Subsidiary Guaranty pursuant to which certain “**Guarantors**” (defined in the Subsidiary Guaranty) purportedly guaranteed the amounts due under the Notes.

WHEREAS, on December 19, 2016, the United States District Court for the Eastern District of New York (the “**Receivership Court**”) placed certain of the Receivership Entities in receivership and in connection therewith, appointed Bart M. Schwartz as receiver. *See Securities and Exchange Commission v. Platinum Management (NY) LLC, et al.*, Case No. 16-06848 (the “**Receivership Case**”).

WHEREAS, pursuant to a February 17, 2017 Escrow Agreement (the “**Escrow Agreement**”) by and among ALS Capital Ventures LLC (“**ALS**”) and ALS Life Holdings LLC (“**ALS Life**,” and together with ALS, “**Sellers**”), Vida Longevity Fund, LP (“**Purchaser**”) and Mills, Potoczak & Co. (or its successor, the “**Escrow Agent**”), proceeds from the sale of certain life insurance policies sold by Sellers to Purchaser are being held in escrow by the Escrow Agent.

WHEREAS, a February 17, 2017 letter (the “**Escrow Direction Letter**”) to BAM from Credit Strategies LLC (“**Credit Strategies**”), a wholly owned subsidiary of PPCO and the managing and majority member of ALS, and Sellers sets forth, among other things, the terms under which the funds being held pursuant to the Escrow Agreement in the amount of approximately \$6,365,409.11 (the “**Remaining Escrow Proceeds**”) will be released.

WHEREAS, pursuant to the Escrow Direction Letter, Sellers and Credit Strategies agreed that the Remaining Escrow Proceeds would remain with the Escrow Agent subject to the terms of the Escrow Agreement until such time as Sellers, Credit Strategies, Senior Health Insurance Company of Pennsylvania (“**SHIP**”), BCLIC, WNIC and Beechwood Bermuda International Ltd.

(for its BBIL-Custody Account) (“**BBIL**”) agree in writing to the disbursement and application of the Remaining Escrow Proceeds pursuant to Section 5 of the Escrow Agreement.

WHEREAS, on July 6, 2017, Melanie L. Cyganowski replaced Bart M. Schwartz as receiver of the Receivership Entities pursuant to an order of the Receivership Court and the Receiver is now administering the receivership estate pursuant to an October 16, 2017 order issued by the Receivership Court (the “**Receivership Order**”).

WHEREAS, following entry of the Receivership Order, certain of the Receivership Entities were added to the receivership.

WHEREAS, on December 19, 2018, the Receiver, on behalf of the Platinum Plaintiffs, filed a complaint (the “**Receiver’s Original Complaint**”) in the United States District Court for the Southern District of New York (the “**SDNY**”) asserting multiple causes of action against, among others, each of the Defendants (the “**SDNY Action**”). SDNY Action ECF No. 1.

WHEREAS, on or about March 26, 2019, BCLIC filed 9 proofs of claim against certain of the Receivership Entities, which have since been assigned claim nos. 59-67 (the “**BCLIC Proofs of Claim**”) and which assert unsecured claims against certain of the Receivership Entities in amounts ranging from \$13 to \$45 million.

WHEREAS, on or about March 26, 2019, WNIC filed 9 proofs of claim against certain of the Receivership Entities, which have since been assigned claim nos. 127-135 (the “**WNIC Proofs of Claim**”) and which assert unsecured claims against certain of the Receivership Entities in amounts ranging from \$180 to \$275 million.

WHEREAS, on March 27, 2019, BCLIC and WNIC filed an Answer, Cross-Claims, and Third-Party Complaint in the SDNY Action. SDNY Action ECF No. 75.

WHEREAS, on or about March 28, 2019, BAM filed a proof of claim against PPCO, which has since been assigned claim no. 145 (the “**BAM Proof of Claim**”) and which asserts a single secured claim against PPCO in the amount of \$95 million as agent for, among others, the holders of the CNO Notes (the amount and/or proportion of the BAM Proof of Claim that is held by or for the benefit of the CNO Defendants and/ or otherwise constitutes a claim for the amounts due under the CNO Notes to the CNO Defendants shall be referred to as the “**CNO Secured Claim**”).

WHEREAS, on March 29, 2019, the Receiver amended the Receiver’s Original Complaint by filing a First Amended Complaint (the “**Receiver’s Amended Complaint**”) against, among others, the Defendants. SDNY Action ECF No. 81.

WHEREAS, on May 15, 2019, Wilmington Trust, in its capacity as former custodian for each of the Accounts, filed an answer to the Receiver’s Amended Complaint, denying any allegations of wrongdoing and asserting several defenses, including but not limited to lack of capacity. SDNY Action ECF No. 342.

WHEREAS, on May 15, 2019, motions to dismiss the Receiver's Amended Complaint were filed by, among others, (i) BCLIC and WNIC (SDNY Action ECF No. 168) and (ii) CNO and 40|86 Advisors (SDNY Action ECF No. 173).

WHEREAS, in a "bottom-line" Order issued on August 18, 2019, the SDNY granted certain of the motions to dismiss the Receiver's Amended Complaint (the "**MTD Order**"). SDNY Action ECF No. 380.

WHEREAS, the SDNY, among other things, dismissed the causes of action asserted by the Platinum Plaintiffs against CNO and 40|86 Advisors in the Receiver's Amended Complaint entirely and dismissed Counts 1-3 (RICO and RICO conspiracy), Count 4 (Section 10(b) of the Exchange Act and Rule 10b-5), Count 6 (aiding and abetting breach of fiduciary duty) and Count 7 (aiding and abetting fraud) of the Receiver's Amended Complaint against BCLIC and WNIC.

WHEREAS, following the SDNY's issuance of its "bottom-line" Order, and after the commencement of discovery, which included the production and review of millions of documents and the depositions of multiple parties, the Parties began extensive good-faith arm's-length negotiations in an attempt to resolve (i) the claims asserted against the Receivership Entities by the Defendants in the BCLIC Proofs of Claim, the WNIC Proofs of Claim and the BAM Proof of Claim and (ii) the Receiver's causes of action asserted against the Defendants in the Receiver's Amended Complaint.

WHEREAS, based upon the terms and conditions set forth herein, the Parties have agreed to resolve those disputes.

WHEREAS, the Receiver's decision to enter into this Agreement is based on (i) the Receiver's fraud claims against the Defendants being dismissed with prejudice, (ii) CNO's, BCLIC's, WNIC's and 40|86 Advisors' credible arguments based on an expansive documentary record developed during pre-trial discovery following the issuance of the MTD Order that those four Defendants (and only those four Defendants) were not knowing participants in any fraud perpetrated by any of the Platinum funds or any of the Beechwood entities, but were instead purely victims of such fraud schemes, and (iii) further litigation against the Defendants being inherently uncertain and/or costly.

NOW, THEREFORE, the Receiver, the Receivership Entities and the Platinum Plaintiffs, on the one hand, and the Defendants, on the other hand, each intending to be legally bound, and in exchange for the mutual covenants and promises set forth herein, agree as follows:

1. **Incorporation of Recitals.** The Platinum Plaintiffs and the CNO Defendants agree that the above recitals are true and correct and that those recitals are incorporated herein by reference and form a part of this Agreement.

2. **Effectiveness of this Agreement / Discovery.**

(a) **Required Approval of this Agreement by Receivership Court.**

(i) This Agreement is subject to, and shall not become effective unless and until, a final, non-appealable order is entered by the Receivership Court approving this Agreement in a form and with content reasonably satisfactory to each of the Parties to this Agreement (the “**Approval Order**”). Notwithstanding the foregoing, upon and after the Execution Date, the Parties agree to use their reasonable best efforts to obtain as soon as practicable the Receivership Court’s approval of this Agreement by the filing of a motion and other pleadings in the Receivership Court requesting such relief (collectively, the “**Approval Pleadings**”).

(ii) Notwithstanding Section 2(a)(i) hereof, unless otherwise agreed in writing by the Parties, if the Approval Order is not entered within sixty (60) days of the date upon which the final Approval Pleadings are filed with the Receivership Court, time being of the essence, each Party hereto shall have the right to terminate and cancel this Agreement in its entirety by providing written notice of termination to the other Parties and the Receivership Court at any time after such date and prior to entry of the Approval Order. If termination is so effected, this Agreement shall be deemed void *ab initio* and of no force and effect.

(b) **Rights to Take Discovery.**

(i) Notwithstanding Section 2(a)(i) hereof, from the Execution Date, each Party agrees that she or it will not, directly or indirectly, seek, or otherwise propound requests for, any discovery from the other Parties to this Agreement in the SDNY Action; provided, however, that (i) the Parties agree to timely provide business record certifications under the Federal Rules of Evidence in response to the reasonable and proper requests by any other Party to this Agreement and (ii) Wilmington Trust agrees to act in good faith to respond in a timely manner to the reasonable and proper requests for documents and other information sought by the Receiver and timely provide an affidavit authenticating any statements of accounts issued by Wilmington Trust in response to the reasonable and proper requests by the Receiver (including, without limitation, with respect to copies of documents of or from Wilmington Trust produced by other persons or entities).

(ii) Notwithstanding Section 2(a)(i) above, if the Receivership Court denies the relief requested in the Approval Pleadings and determines not to enter the Approval Order as provided for in this Agreement or notice of termination is given in accordance with Section 2(a)(ii) hereof, then the Parties agree to promptly meet and confer in an effort to agree on a schedule for any remaining discovery to which a Party may be entitled from another Party in the SDNY Action.

(iii) Notwithstanding anything herein to the contrary, the CNO Defendants hereby agree that they will not, directly or indirectly, seek to depose the Receiver in the Agera Action (defined below) or otherwise participate in any such deposition by way of asking questions or otherwise; provided, however, that if the plaintiffs in the Agera Action depose the Receiver, the CNO Defendants may participate in such deposition by way of asking questions or otherwise.

3. **Release of Claims to Remaining Escrow Proceeds.** Notwithstanding Section 2(a)(i) hereof, on the Execution Date, counsel for the CNO Defendants shall also execute a letter (the “**Escrow Claim Letter**”) addressed to the Escrow Agent or any other holder of the Remaining Escrow Proceeds, in a form substantially similar to the form attached hereto as **Exhibit B**, (i) releasing any and all right, title, claim and interest that the CNO Defendants assert with respect to the Remaining Escrow Proceeds and (ii) further agreeing to execute all such documents reasonably requested by the Receiver and/ or the Escrow Agent to establish that BCLIC and WNIC specifically, and the CNO Defendants generally, consent to the release of the Remaining Escrow Proceeds in accordance with any agreement that may be reached by Sellers, Credit Strategies, SHIP and BBIL. Counsel for the Receivership Entities is authorized by the Parties to deliver the Escrow Claim Letter to the Escrow Agent any time following the date on which the Order of Dismissal (defined below) is entered.

4. **Allowance of General Unsecured Claim.** In consideration for the settlement of all claims asserted, or that could be asserted, against the Receivership Entities through (i) the BCLIC Proofs of Claim, (ii) the WNIC Proofs of Claim, and (iii) the BAM Proof of Claim, solely to the extent of the CNO Secured Claim, the Receivership Entities hereby allow the CNO Defendants a single general unsecured, non-priority claim in the total amount of One Million Dollars (\$1,000,000.00) in the Receivership Case (the “**Allowed Claim**”) which Allowed Claim shall be treated like all other general unsecured, non-priority claims in the plan of liquidation submitted by the Receiver and approved by the Receivership Court. For the avoidance of doubt, the Parties agree that the BCLIC Proofs of Claim, the WNIC Proofs of Claim and that portion of the BAM Proof of Claim constituting the CNO Secured Claim shall be disallowed and expunged except as to the Allowed Claim.

5. **Dismissal of Receiver’s Amended Complaint Against Defendants.** Notwithstanding Section 2(a)(i) above, on the Execution Date, respective counsel for the Platinum Plaintiffs and the Defendants shall each execute the “Stipulation of Dismissal with Prejudice” in the form annexed hereto as **Exhibit C** (the “**Stipulation of Dismissal**”) (i) stipulating to the dismissal of the Receiver’s Amended Complaint solely against the Defendants, with prejudice and with each party to bear its own attorneys’ fees, costs, and/or disbursements, and (ii) requesting the SDNY to enter an order dismissing the Receiver’s Amended Complaint solely against the Defendants in accordance with the Stipulation of Dismissal (the “**Order of Dismissal**”) in the form annexed hereto as **Exhibit D**. In addition, on the Execution Date, the Parties shall jointly advise the SDNY that this Agreement has been executed and is being submitted to the Receivership Court for approval. Notwithstanding Section 2(a) above, the Stipulation of Dismissal shall be held by counsel for the Platinum Plaintiffs in escrow pending entry of the Approval Order. Within five (5) days of entry of the Approval Order, counsel for the Platinum Plaintiffs shall file the Stipulation of Dismissal with the SDNY.

6. **Release to the Receiver, the Receivership Entities and the Platinum Plaintiffs.**

(a) Except as set forth in Sections 4 and 8 of this Agreement, effective immediately upon entry of the Order of Dismissal, the Defendants, for themselves and on behalf of their respective agents, officers, directors, employees, parents, trustees, attorneys, successors

and assigns, release, acquit, and forever discharge the Receiver, each of the Receivership Entities, each of the Platinum Plaintiffs, each of the Assignors, each of the Guarantors and their respective representatives, parent corporations, subsidiaries, affiliates, officers, directors, partners, employees, attorneys, trustees, successors and assigns from any and all claims, demands, debts, liabilities, causes of action, obligations, liens, security interests and liabilities of any kind, which the Defendants could have had, claim to have had or could ever have, whether at law or in equity, whether known or unknown, whether anticipated or unanticipated, whether secured or unsecured, whether held directly or through an agent, arising at any time from the beginning of time through and including the date upon which the Order of Dismissal is entered. For the avoidance of doubt, except as set forth in Sections 4 and 8 of this Agreement, (i) the forgoing release includes, without limitation, all claims under or as a result of “PPMF Note 2,” “PPMF Note 3,” “PPMF Note 4” and “PPMF Note 5” held by the Defendants as set forth in **Exhibit A** attached hereto and all associated rights, liens, security interests and/ or rights under associated guaranties and (ii) the portions of “PPMF Notes 2-5” set forth opposite the names of BCLIC and WNIC on **Exhibit A** attached hereto, together with any right to payment of principal, interest, fees or other amounts thereunder, and all associated rights, liens, security interests and/ or rights under associated guaranties, are hereby discharged and cancelled.

(b) Upon entry of the Order of Dismissal, the Defendants shall release any security interest and/or lien held by or for them against any Receivership Entity and/ or any other party that executed the March 21, 2016 Master Security Agreement as an Assignor and shall advise and direct BAM to amend the BAM Proof of Claim accordingly.

7. **Release to the Defendants.** Except as set forth in Section 8 of this Agreement, effective immediately upon entry of the Order of Dismissal, the Receiver, on behalf of each of the Receivership Entities, each of the Platinum Plaintiffs, each of the Assignors, each of the Guarantors, and all of their respective representatives, parent corporations, subsidiaries, affiliates, officers, directors, partners, employees, attorneys, trustees, successors and assigns, releases, acquit, and forever discharges each of the Defendants, their respective representatives, parent corporations, subsidiaries, affiliates, officers, directors, employees, trustees, attorneys, successors and assigns from any and all claims, demands, debts, liabilities, causes of action, obligations, and liabilities of any kind, which the Receiver, the Receivership Entities, each of the Platinum Plaintiffs, each of the Assignors and each of the Guarantors could have had, claim to have had or could ever have, whether at law or in equity, whether known or unknown, whether anticipated or unanticipated, whether secured or unsecured, arising from the beginning of time through and including the date upon which the Order of Dismissal is entered.

8. **Certain Clarification of Limitations on Scope of Releases.** Notwithstanding anything in this Agreement to the contrary, including, but not limited to, Sections 6 and 7 of this Agreement, this Agreement shall not be deemed to, and shall not:

(a) waive or release, in whole or in part, any claims, counterclaims, cross-claims, third-party actions, demands, suits, obligations, costs, damages, losses, claims for sums of money, controversies, judgments, liabilities, rights, actions, and cause of action of any nature, known or unknown, secured or unsecured, suspected or unsuspected, fixed or contingent in law or equity (collectively “**Causes of Action**”), asserted, or that may be asserted, by Principal Growth

Strategies, LLC, Platinum Partners Value Arbitrage Fund L.P. and Martin Trott & Christopher Smith, on account of or arising out of the Agera Transactions defined in the Verified Complaint on June 7, 2019 in the action captioned *Principal Growth Strategies, LLC, et al. v. AGH Parent LLC, et al.*, in the Court of Chancery for the State of Delaware, Case No. 2019-0431 (the “**Agera Action**”), all of which Causes of Action are hereby preserved and not released; for the avoidance of doubt, this Agreement prohibits the Receiver and the Receivership Entities from (i) joining the Agera Action as a named plaintiff (or intervenor) in their own name in order to assert Causes of Action against the Defendants and (ii) asserting Causes of Action against any of the Defendants in the Receiver’s or any of the Receivership Entities’ own name in a separate complaint on account of or arising from the Agera Transactions (defined in the Verified Complaint filed in the Agera Action on June 7, 2019);

(b) limit the defenses, counterclaims, cross-claims or third-party actions that the CNO Defendants may assert in the Agera Action; for the avoidance of doubt: (i) this Agreement prohibits the Defendants from commencing any third-party action in the Agera Action against the Receiver or any of the Receivership Entities or any of the Platinum Plaintiffs or naming any of the Receivership Entities as additional defendants in the Agera Action and (ii) the CNO Defendants shall not be precluded from asserting, in the Agera Action, any counterclaims against Principal Growth Strategies, LLC or any other parties not expressly released in this Agreement;

(c) prohibit the Defendants from sharing in any distribution made to BBIL from the Receivership Entities and nothing in this Agreement diminishes, impairs, benefits or affects any participation interest that any of the Defendants may hold or assert in the secured claims that BBIL (or BAM on behalf of BBIL) has filed or may hereafter file against any of the Receivership Entities (the “**BBIL Claim**”); provided, however, that this Agreement prohibits the Defendants from asserting, prosecuting or otherwise enforcing in any manner any Causes of Action against the Receiver, any of the Receivership Entities, any of the Platinum Plaintiffs or any of their estates (including, without limitation through a claim in the Receivership Case or otherwise): (i) on account of, arising from or related to any Causes of Action asserted by or on behalf of BBIL against the Receivership Entities, any of the Platinum Plaintiffs or any of their estates, or (ii) based upon any portion of the notes referred to in Exhibit A as “PPMF Note 1,” “PPMF Note 2,” “PPMF Note 3,” “PPMF Note 4” or “PPMF Note 5” and/or all associated rights, liens, security interests and/ or rights under associated guaranties; for the avoidance of doubt, nothing in this Agreement shall diminish any right of the Receiver, the Receivership Entities, the Platinum Plaintiffs or any of their estates to assert (i) any defenses or objections to, or setoffs against, the BBIL Claim or any assignee thereof, or (ii) any Causes of Action, claims, counterclaims, cross-claims or third-party claims against any person or entity (including, without limitation, BBIL and BAM) seeking to enforce any of the relief sought by or through the BBIL Claim against the Receiver, any of the Receivership Entities, any of the Platinum Plaintiffs or any of their estates. For the further avoidance of doubt, the participation interest held by the CNO Defendants in the BBIL Claim does not constitute an attempt to enforce any of the relief sought by or through the BBIL Claim against the Receiver, any of the Receivership Entities, any of the Platinum Plaintiffs or any of their estates so long as the CNO Defendants do not attempt to directly seek to enforce any of the relief sought by or through the BBIL Claim through their own direct action, which they hereby represent and warrant they will not and shall not do;

(d) waive or release any Causes of Action that the Defendants have against any individual associated prior to December 19, 2016 with any (i) Receivership Entity, (ii) entity affiliated with the Platinum Partners Value Arbitrage funds or (iii) entity affiliated with BAM; or

(e) waive or release in whole or in part any Cause of Action, claims, counterclaims, cross-claims, third-party claims or defenses that the Receiver, any of the Receivership Entities, or any of the Platinum Plaintiffs currently have, ever had, or may in the future have against any person or entity (including, without limitation, BAM, SHIP, Beechwood Re Ltd., BBIL (in its own rights and with respect to any custody accounts held in its name), PBLA ULICO 2017, BBIL ULICO 2014, OMNIA Ltd. and PB Investment Holdings Ltd.) other than the Defendants or their present and former employees.

9. **Representations and Warranties.**

(a) **Representations and Warranties by the Defendants.**

(i) Each of BCLIC and WNIC hereby represents and warrants, severally and not jointly, to each of the Receiver, the Receivership Entities and the Platinum Plaintiffs that, to the best of its knowledge:

1. It has not assigned, sold, transferred, or otherwise disposed of, in whole or part, of any the claims asserted in the BCLIC Proofs of Claim or the WNIC Proofs of Claim.

2. It owns and has not assigned, sold, transferred, or otherwise disposed of, in whole or part, any rights under the CNO Secured Claim, including, but not limited to, the claims and security interest asserted by BAM as agent for certain of the CNO Defendants.

3. It has not assigned, sold, transferred, or otherwise disposed, in whole or part, of any rights under “PPMF Note 2,” “PPMF Note 3,” “PPMF 4” and “PPMF Note 5” set forth opposite its name in Exhibit A attached hereto.

4. It has not assigned, sold, transferred or otherwise disposed of any claims it holds, or previously held any time after December 19, 2016, against the Receiver, the Receivership Entities and/ or the Platinum Plaintiffs, whether secured or unsecured, or held directly or through an agent.

5. It holds a participation interest in “PPMF Note 2” described in Exhibit A hereto and held by BBIL.

6. Other than the claims and interests identified as being owned by BCLIC and WNIC in this Section 9(a), it does not hold, own or have a participation interest in, and the CNO Secured Claim does not include, any other claims, whether secured or unsecured, under any portion of “PPMF Note 1,” “PPMF Note 2,” “PPMF Note 3,” “PPMF Note 4” or “PPMF Note 5” as referred to in Exhibit A hereof, or any associated rights, liens, security interests and/ or rights under associated guaranties.

(ii) Each of CNO, 40|86 Advisors, BCLIC, WNIC and Wilmington Trust, as former custodian of the Accounts, hereby represents and warrants, severally and not jointly, to each of the Receiver, the Receivership Entities and the Platinum Plaintiffs that:

1. It has the power and authority to enter into and perform this Agreement.

2. The execution and performance of this Agreement has been duly authorized by all requisite corporate or other actions.

3. The individuals signing this Agreement have the power and authority to execute this Agreement on behalf of the respective Parties.

(b) **Representations and Warranties by the Receiver, et al.** Each of the Receiver, the Receivership Entities and the Platinum Plaintiffs represents and warrants to the Defendants that:

(i) Subject to entry of the Approval Order, the execution and performance of this Agreement has been duly authorized by all requisite corporate or other actions.

(ii) Subject to entry of the Approval Order, the individual signing this Agreement has the power and authority to execute this Agreement on behalf of the Receivership Entities and the Platinum Plaintiffs.

(iii) She or it has not assigned, sold or transferred any claims they may have against the Defendants.

(c) **Survival of Representations and Warranties.** All representations, warranties and covenants contained herein shall survive the execution and delivery of this Agreement and the entry of the Approval Order and the Order of Dismissal.

10. **Indemnification.**

(a) The Receiver, the Receivership Entities, each of the Platinum Plaintiffs, each of the Assignors and each of the Guarantors (each of which is a “**Platinum Indemnified Party**”) shall be indemnified and held harmless under this Agreement by the Defendants from and against any and all claims, demands, suits, obligations, costs, damages, losses, claims for sums of money, controversies, judgments, liabilities, rights, actions, and cause of action of any nature, known or unknown, suspected or unsuspected, fixed or contingent in law or equity, arising out of or relating to, asserted against, imposed upon or incurred by the Platinum Indemnified Party as a result of any breach by any of Defendants of a representation, warranty and/ or covenant contained in this Agreement.

(b) The Defendants (each of which is a “**CNO Indemnified Party**”) shall be indemnified and held harmless under this Agreement by the Receiver, the Receivership Entities and the Platinum Plaintiffs from and against any and all claims, demands, suits, obligations, costs, damages, losses, claims for sums of money, controversies, judgments, liabilities, rights, actions, and cause of action of any nature, known or unknown, suspected or unsuspected, fixed or contingent in law or equity, arising out of or relating to, asserted against, imposed upon or incurred by the CNO Indemnified Party as a result of any breach by any of the Receiver, Receivership Entities or Platinum Plaintiffs of a representation, warranty and/ or covenant contained in this Agreement. Any indemnification owed or payable under this section shall be paid from the estates of the Receivership Entities when due and not treated as a claim against the estate.

11. **Settlement Procedure.** Notwithstanding Section 2(a)(i) hereof, respective counsel for the Defendants shall send copies of this Agreement, the Escrow Claim Letter and the Stipulation of Dismissal via email to the Receiver's counsel at eweinick@otterbourg.com and bweisenberg@platinumlp.com. Upon receipt of the copies of this Agreement and the Stipulation of Dismissal with Prejudice, counsel for the Platinum Plaintiffs shall circulate fully executed copies of each of the documents via email to counsel for the Defendants at adam.kaiser@alston.com and jgalvin@hodgsonruss.com.

12. **Affirmative Covenants.**

(a) Each of the Defendants hereby agrees that effective as of the Execution Date, it shall not acquire, purchase or take any interest of any kind in any Cause of Action or claim asserted or that may be asserted against the Receivership Entities.

(b) The Receiver, the Receivership Entities, each of the Platinum Plaintiffs, each of the Assignors and each of the Guarantors hereby agrees that effective as of the Execution Date, it shall not acquire, purchase or take any interest of any kind in any Cause of Action or claim asserted or that may be asserted against the Defendants.

13. **Miscellaneous.**

(a) **Use of this Agreement.** Nothing in this Agreement shall, or shall be deemed, to comment on the nature, quantity or quality of evidence against any of the other defendants named by the Receiver in the SDNY Action. Nothing in this Agreement shall be deemed to constitute an admission by any Party as to any fact, in either the SDNY Action, the Receivership Action, or the Agera Action. Further, the CNO Defendants agree that, in the Agera Action, they will not contend or argue that anything in this Agreement or in the testimony thus far provided by Marc S. Kirchner and/ or Trey Rogers constitutes a legally binding admission or a statement against interest of either the Receiver, the Receivership Entities, or the current Plaintiffs in the Agera Action; provided, however, that in the event the current Plaintiffs in the Agera Action contend that this Agreement is an admission or a statement against interest on the part of the CNO Defendants, the CNO Defendants shall be free to contend that this Agreement constitutes an admission or a statement against interest on the part of the current Plaintiffs in the Agera Action.

(b) **Notices.** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the Party to be notified, or (b) when sent by confirmed electronic mail or facsimile, if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day,

<u>If to the Receiver, the Receivership Entities or</u>	<u>If to the CNO Defendants:</u>
<u>the Platinum Plaintiffs:</u>	

Otterbourg P.C.
Attn: Erik B. Weinick

Alston & Bird, LLP
Attn: Adam J. Kaiser
90 Park Avenue, 15th Floor

230 Park Avenue
New York, NY 10169
eweinick@otterbourg.com

New York, NY 10016-1387
adam.kaiser@alston.com

-and-

-and-

Platinum Partners
Attn: Brent Weisenberg
230 Park Avenue, Third Floor West, Suite 323
New York, NY 10169
bweisenberg@platinumlp.com

CNO Financial Group, Inc.
Attn: Matthew Zimpfer, General Counsel
11825 North Pennsylvania Street
Carmel, IN 46032
Matt.Zimpfer@cnoinc.com

If to the Accounts:

Hodgson Russ LLP
Attn: Jodyann Galvin
The Guaranty Building
140 Pearl Street
Buffalo, NY 14202
jgalvin@hodgsonruss.com

(c) **Venue and Choice of Law.** Notwithstanding Section 2(a)(i) hereof, the Parties consent and submit to the exclusive jurisdiction of the Receivership Court over any actions or proceedings relating to the enforcement or interpretation of this Agreement. Any Party bringing any action or proceeding relating to the enforcement or interpretation of this Agreement shall bring such action or proceeding in the Receivership Court. This Agreement and all claims and disputes arising out of or in connection with this Agreement, shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law principles, to the extent such principles would apply a law other than that of the State of New York. Each of the Parties hereto hereby waives any right to a trial by jury in any action, proceeding or counterclaim based upon or arising out of this Agreement, and agrees that any such action, proceeding or counterclaim shall be tried before a court and not before a jury.

(d) **Entire Agreement.** This Agreement constitutes the entire and only agreement of the Parties concerning the subject matter hereof. This Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements or understandings between the Parties concerning the subject matter hereof, including, but not limited to, the Term Sheet. The Parties acknowledge that this Agreement is not being executed in reliance on any verbal or written agreement, promise or representation not contained herein.

(e) **No Oral Modifications.** This Agreement may not be modified or amended orally. This Agreement only may be modified or amended by a writing signed by a duly authorized representative of each of the Parties hereto. No waiver of any breach of any term or provision of this Agreement shall be construed as a waiver of any subsequent breach.

(f) **Construction.** This Agreement constitutes a fully negotiated agreement among commercially sophisticated parties and therefore shall not be construed or interpreted for or against any Party, and any rule or maxim of construction to such effect shall not apply to this Agreement.

(g) **Headings.** The heading of any section of this Agreement is intended only for convenience and shall not be construed to be or interpreted as a part, or limitation on the scope, of any such section.

(h) **Binding Effect; Successor and Assigns.** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns; provided, however, that no Party may assign its rights or obligations under this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld or delayed. Any assignment not in accordance with the terms hereof shall be null and void ab initio.

(i) **Costs.** Each Party shall bear its own costs in connection with the negotiation and execution of this Agreement and the transactions contemplated hereunder.

(j) **Further Assurances.** The Parties each agree to execute such further and additional documents, instruments and writings as may be reasonably necessary, proper, required, desirable or convenient for the purpose of fully effectuating the terms and provisions of this Agreement.

(k) **Counterparts.** This Agreement may be executed in counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the Parties need not appear on the same counterpart.

(l) **PDFs as Originals.** This Agreement may be executed using facsimile or PDF signatures, with the same effect as if the signatures were original. Facsimile or electronic copies of this Agreement shall be deemed for all purposes to have the same force and effect of the original thereof.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the date set forth below.

[SIGNATURE PAGES TO FOLLOW]

**THE RECEIVER, THE PLATINUM
PLAINTIFFS AND THE RECEIVERSHIP
ENTITIES**

THE DEFENDANTS

Melanie L. Cyganowski, as receiver and for
(i) Platinum Partners Credit Opportunities
Master Fund LP, (ii) Platinum Partners
Credit Opportunities Fund (TE) LLC, (iii)
Platinum Partners Credit Opportunities
Fund LLC, (iv) Platinum Partners Credit
Opportunities Fund International Ltd, (v)
Platinum Partners Credit Opportunities
Fund International (A) Ltd, (vi) Platinum
Partners Credit Opportunities Fund (BL)
LLC, (vii) Platinum Credit Management,
L.P., (viii) Platinum Liquid Opportunity
Management (NY) LLC, (ix) Platinum
Partners Liquid Opportunity Fund (USA)
L.P. and (x) Platinum Partners Liquid
Opportunity Master Fund L.P.

CNO Financial Group, Inc.

DATED: June __, 2020

By: _____

Name: _____

Its: _____

DATED: June __, 2020

By: Melanie L. Cyganowski as Receiver

Name: MELANIE L. CYGANOWSKI

Its: RECEIVER

**THE RECEIVER, THE PLATINUM
PLAINTIFFS AND THE RECEIVERSHIP
ENTITIES**

THE DEFENDANTS

**Melanie L. Cyganowski, as receiver and for
(i) Platinum Partners Credit Opportunities
Master Fund LP, (ii) Platinum Partners
Credit Opportunities Fund (TE) LLC, (iii)
Platinum Partners Credit Opportunities
Fund LLC, (iv) Platinum Partners Credit
Opportunities Fund International Ltd, (v)
Platinum Partners Credit Opportunities
Fund International (A) Ltd, (vi) Platinum
Partners Credit Opportunities Fund (BL)
LLC, (vii) Platinum Credit Management,
L.P., (viii) Platinum Liquid Opportunity
Management (NY) LLC, (ix) Platinum
Partners Liquid Opportunity Fund (USA)
L.P. and (x) Platinum Partners Liquid
Opportunity Master Fund L.P.**

CNO Financial Group, Inc.

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP, General Counsel and Assistant Secretary

DATED: June __, 2020

By: _____

Name: _____

Its: _____

Bankers Consec Life Insurance Company

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP, General Counsel and Assistant Secretary

Washington National Insurance Company

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP, General Counsel and Assistant Secretary

40|86 Advisors, Inc.

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP and General Counsel

Wilmington Trust, N.A. in its capacity as
former custodian for BRE BCLIC Primary
and BRE BCLIC Sub.

DATED: June 29, 2020

By: 

Name: Jodyann Galvin

Its: Counsel at Hodges Russ LLP

Wilmington Trust, N.A. in its capacity as
former custodian for BRE WNIC 2013 LTC
Primary and BRE WNIC 2013 LTC SUB

DATED: June 29, 2020

By: 

Name: Jodyann Galvin

Its: Counsel at Hodges Russ LLP

EXHIBIT A

Platinum Partners Credit Opportunities Master Fund LP

Platinum Partners Credit Opportunities Master Fund LP					9/30/2019										
	Lender of Record (Inclusive of participations) (actual name)	Account Ref	Participant (actual name)	Account Reference	Lender of Record Principal Debt Amount (Inclusive of participations) (\$)	Lender of Record Accrued Interest Amount (Inclusive of participations) (\$)*	Lender of Record Debt Percentage (Inclusive of participations) (%)	Participant Debt Amount (\$)	Participant Accrued Income Amount (\$)*	Participant Debt Percentage (%)	Lender of Record Actual Economic Principal Debt Amount (exclusive of participations) (\$)	Lender of Record Actual Economic Accrued Income Amount (exclusive of participations) (\$)**	Lender of Record Actual Debt Percentage (exclusive of participations) (%)	Notes	
PPMF Note 1	Senior Health Insurance Company of Pennsylvania	SHIP BAM			15,804,397.58	3,864,646.71	19.81%				5,026,159.27	1,265,518.99	6.30%	*** Interest (G) + Accrued Interest (Q)	
			Beechwood Bermuda International Ltd.	Custody Account				2,599,215.12	677,978.95	3.26%				21.425%	
			PBLA ULICO 2017					8,179,023.19	1,921,148.77	10.25%				96.017%	
PPMF Note 2	Bankers Conesco Life Insurance Co.		Bre BCLIC Primary		5,788,297.58	1,457,415.11	7.25%				5,788,297.58	1,457,415.11	7.25%	* Accrued Interest (I) + Accrued Interest (Q)	
PPMF Note 3	Bankers Conesco Life Insurance Co.		Bre BCLIC Sub		291,120.37	73,300.16	0.36%				291,120.37	73,300.16	0.36%	* Accrued Interest (I) + Accrued Interest (Q)	
PPMF Note 4	Washington National Insurance Co.		Bre WNIC LTC Primary		1,234,860.02	310,921.09	1.55%				1,234,860.02	310,921.09	1.55%	* Accrued Interest (I) + Accrued Interest (Q)	
PPMF Note 5	Washington National Insurance Co.		Bre WNIC LTC Sub		407,568.48	102,620.25	0.51%				407,568.48	102,620.25	0.51%	* Accrued Interest (I) + Accrued Interest (Q)	
PPMF Note 1	Senior Health Insurance Company of Pennsylvania	Bre SHIP			10,868,454.74	2,736,530.04	13.62%				10,868,454.74	2,736,530.04	13.62%	* Accrued Interest (I) + Accrued Interest (Q)	
PPMF Note 3;	Senior Health Insurance Company of Pennsylvania	BBIL SHIP			682,189.85	171,766.18	0.85%				682,189.85	171,766.18	0.85%	* Accrued Interest (I) + Accrued Interest (Q)	
PPMF Note 5	Beechwood Bermuda International Ltd.	Custody Account			5,396,293.00	1,407,568.40	6.76%				5,396,293.00	1,407,568.40	6.76%	44.480%	
PPMF Note 2	PBLA ULICO 2017				270,549.18	63,548.57	0.34%				270,549.18	63,548.57	0.34%	3.176%	
PPMF Note 4	Beechwood Bermuda International Ltd.	Custody Account			1,370,509.63	357,483.56	1.72%				1,370,509.63	357,483.56	1.72%	11.297%	
	PBLA ULICO 2017				68,712.03	16,139.58	0.09%				68,712.03	16,139.58	0.09%	0.807%	
	BBIL ULICO 2014				1,530,543.58	397,883.98	1.92%				1,530,543.58	397,883.98	1.92%		
	Beechwood Bermuda International Ltd.	Custody Account			2,765,896.78	721,456.17	3.47%				2,765,896.78	721,456.17	3.47%	22.799%	
PPMF Note 1; PPMF Note 4	OMNIA Ltd				2,660,350.89	777,163.67	3.33%				2,660,350.89	777,163.67	3.33%		
PPMF Note 1; PPMF Note 4	Principal Growth Strategies LLC *				30,650,512.27	5,951,657.98	38.41%				30,650,512.27	5,951,657.98	38.41%	Per \$26,779,775.07 Transferred 6/8/2016	
Total					79,790,255.97	18,410,101.46	100.00%	10,778,238.31	2,599,127.72	13.51%	69,012,017.66	15,810,973.74	86.49%		
			BBIL Custody		12,131,914.52	3,164,487.08									
			PBLA ULICO 2017		8,518,284.40	2,000,836.92									

PPMF Note 1 - Secured Term Note, dated March 21, 2016, with a face amount of \$42,963,949.04, originally issued to SHIP

PPMF Note 2 - Secured Term Note, dated March 21, 2016, with a face amount of \$10,000,000, originally issued to Bre BCLIC Primary

PPMF Note 3 - Secured Term Note, dated March 21, 2016, with a face amount of \$500,000, originally issued to Bre BCLIC Sub

PPMF Note 4 - Secured Term Note, dated March 21, 2016, with a face amount of \$14,989,677.78, originally issued to Bre WNIC 2013 LTC Primary

PPMF Note 5 - Secured Term Note, dated March 21, 2016, with a face amount of \$700,000, originally issued to Bre WNIC 2013 LTC Sub

* Status of PPCO indebtedness attributed to Principal Growth Strategies LLC (PGS) above is uncertain based upon verbal representations by both initial Receiver of PPCO and counsel for PPVA liquidators that those PPCO debt amounts transferred to PGS are deemed extinguished.

EXHIBIT B

ON BEHALF OF BCLIC/ WNIC

July 1, 2020

VIA ELECTRONIC MAIL ONLY

Mills, Potoczak & Company
Attn: William Potoczak
27600 Chagrin Boulevard, Suite 200
Cleveland, Ohio 44122
wpotoczak@mpccpa.com

Re: Notice of Release of Claim to Remaining Escrow Proceeds

Dear Mr. Potoczak:

Reference is made to:

(i) the February 17, 2017 Escrow Agreement (the “**ALS Escrow Agreement**”) by and among ALS Capital Ventures LLC (“**ALS**”) and ALS Life Holdings LLC (“**ALS Life**,” and together with ALS, “**Sellers**”), Vida Longevity Fund, LP (“**Purchaser**”) and Mills, Potoczak & Co. (“**ALS Escrow Agent**”) pursuant to which proceeds from the sale of certain life insurance policies sold by Sellers to Purchaser are being held in escrow by ALS Escrow Agent; and¹

(ii) the February 17, 2017 letter (the “**Escrow Direction Letter**”) from Credit Strategies LLC (“**Credit Strategies**”) and Sellers to BAM Administrative Services LLC (“**BAM Admin**”) setting forth, among other things, the terms under which the funds being held pursuant to the ALS Escrow Agreement in the amount of approximately \$6,365,409.11 (the “**Remaining Escrow Proceeds**”) will be released.

Pursuant to Section I.5(a)(iv) of the ALS Escrow Agreement, the Remaining Escrow Proceeds are to be released pursuant to the terms of Section I.5(d) thereof. In turn, Section I.5.(d) requires, *inter alia*, BAM Admin and Melanie L. Cyganowski, in her capacity as the court appointed receiver (the “**Receiver**”) for Platinum Partners Credit Opportunities Master Fund LP to use commercially reasonable efforts to agree in writing upon the recipient(s) and share of the Remaining Escrow Proceeds (the “**Joint Instruction**”), provided that BAM Admin obtains the consent of the holders of a majority of the outstanding principal amount of the Notes.

Pursuant to the Escrow Direction Letter, Sellers and Credit Strategies separately agreed that the Remaining Escrow Proceeds would remain with the ALS Escrow Agent subject to the ALS Escrow Agreement until such time as Sellers, Credit Strategies, Senior Health Insurance Company of Pennsylvania (“**SHIP**”), Bankers Conesco Life Insurance Company (“**BCLIC**”),

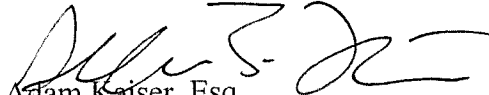
¹ All capitalized terms not otherwise defined herein have the meaning ascribed to such term in the ALS Escrow Agreement.

Washington National Insurance Company ("WNIC") and Beechwood Bermuda International Ltd. (for its BBIL-Custody Account) ("BBIL") agree in writing to the disbursement and application of the Remaining Escrow Proceeds pursuant to Section 5 of the ALS Escrow Agreement.

Please be advised that on or about June 30, 2020, BCLIC and WNIC, among others, entered into a Settlement Agreement with, among others, the Receiver and Platinum Partners Credit Opportunities Master Fund LP which provides that BCLIC and WNIC will release any and all right, title, claim and interest that they assert to the Remaining Escrow Proceeds. Accordingly, BCLIC and WNIC hereby release any and all right, title and interest that they previously asserted to the Remaining Escrow Proceeds, and consent to the distribution of the Remaining Escrow Proceeds in accordance with the Receiver's instructions.

This letter does not constitute the Joint Instruction referenced above but is being sent to you as Escrow Agent in an abundance of caution to make clear that BCLIC and WNIC's approval of the disbursement of the Remaining Escrow Proceeds will no longer be required of BAM Admin.

Very truly yours,


Adam Kaiser, Esq

Legal Counsel to BCLIC/ WNIC

cc: Erik Weinick, Esq.
BAM Administrative Services LLC, c/o Mark Harris, Esq.
Senior Health Insurance Company of Pennsylvania, c/o Craig Martin, Esq.

EXHIBIT C

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

_____	X	
IN RE PLATINUM-BEECHWOOD LITIGATION,	:	Civil Action No.
	:	1:18-cv-06658
_____	:	
	X	
MELANIE L. CYGANOWSKI, AS RECEIVER FOR	:	
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:	
MASTER FUND LP, PLATINUM PARTNERS CREDIT	:	
OPPORTUNITIES FUND (TE) LLC, PLATINUM PARTNERS	:	
CREDIT OPPORTUNITIES FUND LLC, PLATINUM	:	
PARTNERS CREDIT OPPORTUNITIES FUND	:	
INTERNATIONAL LTD., PLATINUM PARTNERS CREDIT	:	
OPPORTUNITIES FUND INTERNATIONAL (A) LTD., and	:	Civil Action No.
PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND	:	1:18-cv-12018
(BL) LLC,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
BEECHWOOD RE LTD., et al.,	:	
	:	
	:	
Defendants.	X	

JOINT STIPULATION OF DISMISSAL WITH PREJUDICE

Plaintiff Melanie L. Cyganowski, in her capacity as the court appointed receiver, by and for Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd, Platinum Partners Credit Opportunities Fund International (A) Ltd and Platinum Partners Credit Opportunities Fund (BL) LLC and defendants CNO Financial Group, Inc., Bankers Consecro Life Insurance Company, Washington National Insurance Company, 40|86 Advisors, Inc. and BRE WNIC 2013 LTC Primary, BRE WNIC 2013 LTC Sub, BRE BCLIC Primary and BRE BCLIC Sub (the “**Accounts**”), represented here by

Wilmington Trust, N.A. in its capacity as former custodian of the Accounts, by their respective undersigned attorneys, hereby jointly stipulate to the dismissal of the above-styled action against the defendants listed above with prejudice.

Each party shall bear its own attorney's fees, costs and disbursements.

The parties respectfully request this Court to enter an order dismissing the Complaint in the above-styled cause with prejudice.

[SIGNATURE PAGES TO FOLLOW]

**THE RECEIVER, THE PLATINUM
PLAINTIFFS AND THE RECEIVERSHIP
ENTITIES**

THE DEFENDANTS

Melanie L. Cyganowski, as receiver and for
(i) Platinum Partners Credit Opportunities
Master Fund LP, (ii) Platinum Partners
Credit Opportunities Fund (TE) LLC, (iii)
Platinum Partners Credit Opportunities
Fund LLC, (iv) Platinum Partners Credit
Opportunities Fund International Ltd, (v)
Platinum Partners Credit Opportunities
Fund International (A) Ltd, (vi) Platinum
Partners Credit Opportunities Fund (BL)
LLC, (vii) Platinum Credit Management,
L.P., (viii) Platinum Liquid Opportunity
Management (NY) LLC, (ix) Platinum
Partners Liquid Opportunity Fund (USA)
L.P. and (x) Platinum Partners Liquid
Opportunity Master Fund L.P.

CNO Financial Group, Inc.

DATED: June __, 2020

By: _____

Name: _____

Its: _____

DATED: June __, 2020

By: Melanie L. Cyganowski as Receiver

Name: MELANIE L. CYGANOWSKI

Its: RECEIVER

**THE RECEIVER, THE PLATINUM
PLAINTIFFS AND THE RECEIVERSHIP
ENTITIES**

THE DEFENDANTS

**Melanie L. Cyganowski, as receiver and for
(i) Platinum Partners Credit Opportunities
Master Fund LP, (ii) Platinum Partners
Credit Opportunities Fund (TE) LLC, (iii)
Platinum Partners Credit Opportunities
Fund LLC, (iv) Platinum Partners Credit
Opportunities Fund International Ltd, (v)
Platinum Partners Credit Opportunities
Fund International (A) Ltd, (vi) Platinum
Partners Credit Opportunities Fund (BL)
LLC, (vii) Platinum Credit Management,
L.P., (viii) Platinum Liquid Opportunity
Management (NY) LLC, (ix) Platinum
Partners Liquid Opportunity Fund (USA)
L.P. and (x) Platinum Partners Liquid
Opportunity Master Fund L.P.**

CNO Financial Group, Inc.

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP, General Counsel and Assistant Secretary

DATED: June __, 2020

By: _____

Name: _____

Its: _____

Bankers Consec Life Insurance Company

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP, General Counsel and Assistant Secretary

Washington National Insurance Company

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP, General Counsel and Assistant Secretary

40|86 Advisors, Inc.

DATED: June __, 2020

By: Matthew J Zimpfer

Name: Matthew J Zimpfer

Its: EVP and General Counsel

Wilmington Trust, N.A. in its capacity as
former custodian for BRE BCLIC Primary
and BRE BCLIC Sub.

DATED: June 29, 2020

By: 

Name: Robert J. Lane Jr.

Its: counsel at Hodgson Russ LLP

Wilmington Trust, N.A. in its capacity as
former custodian for BRE WNIC 2013 LTC
Primary and BRE WNIC 2013 LTC SUB

DATED: June 29, 2020

By: 

Name: Robert J. Lane Jr.

Its: counsel at Hodgson Russ LLP

EXHIBIT D

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

_____	X	
IN RE PLATINUM-BEECHWOOD LITIGATION,	:	Civil Action No.
	:	1:18-cv-06658
_____	:	
	X	
MELANIE L. CYGANOWSKI, AS RECEIVER FOR	:	
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:	
MASTER FUND LP, PLATINUM PARTNERS CREDIT	:	
OPPORTUNITIES FUND (TE) LLC, PLATINUM PARTNERS	:	
CREDIT OPPORTUNITIES FUND LLC, PLATINUM	:	
PARTNERS CREDIT OPPORTUNITIES FUND	:	
INTERNATIONAL LTD., PLATINUM PARTNERS CREDIT	:	
OPPORTUNITIES FUND INTERNATIONAL (A) LTD., and	:	Civil Action No.
PLATINUM PARTNERS CREDIT OPPORTUNITIES FUND	:	1:18-cv-12018
(BL) LLC,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	
	:	
BEECHWOOD RE LTD., et al.,	:	
	:	
	:	
Defendants.	X	

ORDER APPROVING JOINT STIPULATION OF DISMISSAL WITH PREJUDICE

THIS MATTER came on for consideration of the Joint Stipulation of Dismissal with Prejudice filed jointly by plaintiff Melanie L. Cyganowski, in her capacity as the court appointed receiver, by and for Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd, Platinum Partners Credit Opportunities Fund International (A) Ltd and Platinum Partners Credit Opportunities Fund (BL) LLC and defendants CNO Financial Group, Inc., Bankers Consec Life Insurance Company, Washington National Insurance Company, 40|86 Advisors, Inc. and BRE WNIC 2013 LTC Primary, BRE WNIC 2013

LTC Sub, BRE BCLIC Primary and BRE BCLIC Sub (the “Accounts”), represented here by Wilmington Trust, N.A. in its capacity as former custodian of the Accounts, that all claims in the above-styled action against the above listed defendants would be dismissed with prejudice with each party to bear its own attorneys’ fees, costs and disbursements. The Court has considered the stipulation and the file and is otherwise fully advised in the premises. It is thereupon

ORDERED AND ADJUDGED that

1. The Joint Stipulation of Dismissal with Prejudice is hereby approved.
2. The above-styled action is hereby dismissed with prejudice.
3. Each party shall bear its own attorneys’ fees, costs and disbursements.

IT IS SO ORDERED:

UNITED STATES DISTRICT JUDGE RAKOFF

DATED: _____

EXHIBIT B

SETTLEMENT AGREEMENT

This Settlement Agreement (this “**Agreement**”) is hereby entered into as of this 1st day of July, 2020 (the “**Execution Date**”), by and among:

(1) Melanie L. Cyganowski (solely in the following capacities, the “**PPCO Receiver**”), in her capacity as (a) the court appointed receiver for each of (i) Platinum Partners Credit Opportunities Master Fund LP (“**PPMF**”), (ii) Platinum Partners Credit Opportunities Fund (TE) LLC, (iii) Platinum Partners Credit Opportunities Fund LLC, (iv) Platinum Partners Credit Opportunities Fund International Ltd., (v) Platinum Partners Credit Opportunities Fund International (A) Ltd., (vi) Platinum Partners Credit Opportunity Fund (BL) LLC, (vii) Platinum Credit Management, L.P., (viii) Platinum Liquid Opportunity Management (NY) LLC, (ix) Platinum Partners Liquid Opportunity Fund (USA) L.P. and (x) Platinum Partners Liquid Opportunity Master Fund L.P. (the entities referred to in (i)-(x) of this paragraph (1) shall be collectively referred to as the “**Receivership Entities**”) and (b) by virtue of same, a representative of each of the PPMF Subsidiaries (defined below) (with the PPCO Receiver and the Receivership Entities, collectively, the “**PPCO Parties**”); and

(2) The Senior Health Insurance Company of Pennsylvania, *In Rehabilitation* (“**SHIP**”), and Fuzion Analytics, LLC (“**Fuzion**”) (collectively, the “**SHIP Parties**”).

Each of (1) and (2) is a “**Party**,” and (1) and (2) collectively are the “**Parties**.”

WHEREAS, on or about December 23, 2015, PPMF issued a “Delayed Draw Demand Note” dated December 23, 2015 (as thereafter amended, restated, modified and/or supplemented from time to time the “**Delayed Draw Demand Note**”) in favor of SHIP, in the principal amount of up to \$15,500,000.00;

WHEREAS, on or about December 23, 2015, PPMF, certain PPMF MSA Subsidiaries (defined below), including ALS Capital Ventures LLC, Atlantic Growth Capital LLC, Alpha Credit Resources, LLC, Bakken Development Opportunities I LLC, Beta Credit Services LLC, Burr Capital LLC, Centurion Structured Growth LLC, Credit Funding LLC, Credit Mining LLC, Credit International LLC, Credit Strategies LLC, Diamed Holdings LLC, Financial Ventures LLC, Hamilton Capital LLC, JH Funding LLC, Lakewood Group LLC, L2 Leasing Holdings LLC, Maximilian Investors, LLC, Maximilian Resources LLC, Northrock Financial LLC, Pea and Eigh Company LLC, Photon Management LLC, Platinum Long Term Growth VIII LLC, Platinum Partners Credit International, LLC, Principal Growth Strategies LLC (“**PGS**”), Pro Master Group LLC, Pro Player Funding LLC, PTLG VIII Iron Ore LLC, Re Credit LLC, Regis Capital LLC, RJ Funding LLC, Secure Holdings LLC, Voltage Energy Holdings LLC, West Ventures LLC and Wintercrest Advisors LLC (the “**PPMF MSA Subsidiaries**”), and BAM Administrative Services, LLC (“**BAM Admin**”), as Agent, executed a “Master Security Agreement,” dated December 23, 2015 (the “**MSA**”);

WHEREAS, on or about December 23, 2015, the PPMF MSA Subsidiaries and BAM Admin executed a “Subsidiary Guaranty” dated December 23, 2015 (the “**Subsidiary Guaranty**”);

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WHEREAS, on or about January 20, 2016, PPMF issued an “Amended and Restated Delayed Draw Demand Note” (as thereafter amended, restated, modified and/or supplemented from time to time, the “**A&R Delayed Draw Demand Note**”), dated January 20, 2016, which amended and restated the Delayed Draw Demand Note in favor of SHIP, among other things, to increase the principal amount to up to \$18,500,000.00;

WHEREAS, on or about January 20, 2016, PPMF, the PPMF MSA Subsidiaries and BAM Admin, as Agent, entered into a “Reaffirmation and Ratification Agreement,” dated January 20, 2016 (the “**Ratification Agreement**”);

WHEREAS, on or about March 21, 2016, PPMF, as the “Company,” BAM Admin, as Agent for all “Purchasers from time to time a party [t]hereto” (the “**Purchasers**”), and SHIP, BRe BCLIC Primary, BRe BCLIC Sub, BRe WNIC 2013 LTC Primary and BRe WNIC 2013 LTC Sub (collectively, the “**Original Purchasers**”), executed a “Note Purchase Agreement” dated as of March 21, 2016 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions, the “**NPA**”), in which, among other provisions, PPMF agreed to sell up to \$70,000,000 of “Notes” to the Original Purchasers, and the Original Purchasers made the following “Purchaser Commitments” to purchase “Notes” from PPMF in the following original amounts: (i) SHIP: \$42,963,949.04 (\$123,190.55 consisting of accrued interest); (ii) BRe BCLIC Primary: \$10,000,000; (iii) BRe BCLIC Sub: \$500,000; (iv) BRe WNIC 2013 LTC Primary: \$14,989,677.78; and (v) BRe WNIC 2013 LTC Sub: \$700,000;

WHEREAS, on or about March 21, 2016, PPMF issued

- (i) a Second Amended and Restated Secured Term Note, dated March 21, 2016, in favor of SHIP in the original amount of \$42,963,949.04, which amended and restated and was given in substitution for but not in satisfaction of the A&R Delayed Draw Demand Note (“**PPMF Note 1**”);
- (ii) a Secured Term Note dated March 21, 2016, in favor of BRe BCLIC Primary, in the original principal amount of \$10,000,000 (“**PPMF Note 2**”);
- (iii) a Secured Term Note dated March 21, 2016, in favor of BRe BCLIC Sub, in the original principal amount of \$500,000 (“**PPMF Note 3**”);
- (iv) a Secured Term Note dated March 21, 2016, in favor of BRe WNIC 2013 LTC Primary, in the original principal amount of \$14,989,677.78 (“**PPMF Note 4**”); and
- (v) a Secured Term Note dated March 21, 2016, in favor of BRe WNIC 2013 LTC Sub, in the original principal amount of \$700,000 (“**PPMF Note 5**,” and, collectively with PPMF Notes 1-4, the “**PPMF Notes**”);

WHEREAS, on or about March 21, 2016, PPMF and BAM Admin, as Agent, entered into an Amended and Restated Master Security Agreement, dated March 21, 2016 (the “**A&R MSA**”);

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WHEREAS, on or about March 21, 2016, the PPMF MSA Subsidiaries, Platinum Partners Credit International LP and BAM Admin, as Agent, executed a Subsidiary Guaranty dated March 21, 2016 (the “**March 2016 Subsidiary Guaranty**”);

WHEREAS, on or about March 21, 2016, SHIP, BRe WNIC 2013 LTC Primary, BRe WNIC 2013 LTC Sub, BRe BCLIC Primary and BRe BCLIC Sub, as “Noteholders,” and BAM Admin, as Agent, entered into an Agency Agreement dated as of March 21, 2016;

WHEREAS, on or about December 19, 2016, each of the Receivership Entities was placed in receivership by an order of the United States District Court for the Eastern District of New York (the “**PPCO Receivership Court**”) in the action captioned *Securities & Exch. Comm’n v. Platinum Mgmt. (NY) LLC, et al.*, 16 Civ. 06848 (BMC) (the “**PPCO Receivership Action**”), with the Receivership Entities and their respective property and assets following the commencement of the PPCO Receivership Action being referred to herein as the “**PPCO Receivership Estate**”;

WHEREAS, prior to the commencement of the PPCO Receivership Action, BAM Admin, as Agent, had filed UCC Financing Statements with the Delaware Secretary of State, or otherwise, asserting a security interest in all, or substantially all, assets of PPMF and all or certain PPMF MSA Subsidiaries (collectively referred to as the “**UCC-1s**”);

WHEREAS, following the commencement of the PPCO Receivership Action, pursuant to a February 17, 2017 Escrow Agreement (the “**ALS Escrow Agreement**”) by and among ALS Capital Ventures LLC (“**ALS**”) and ALS Life Holdings LLC (“**ALS Life**,” and together with ALS, “**Sellers**”), Vida Longevity Fund, LP (“**Purchaser**”) and Mills, Potoczak & Co. (or its successor, the “**ALS Escrow Agent**”), proceeds from the sale of certain life insurance policies sold by Sellers to Purchaser are being held in escrow by the ALS Escrow Agent;

WHEREAS, a February 17, 2017 letter (the “**Escrow Direction Letter**”) to BAM Admin from Credit Strategies LLC (“**Credit Strategies**”), a wholly owned subsidiary of PPMF and the managing and majority member of ALS, and Sellers sets forth, among other things, the terms under which the funds being held pursuant to the Escrow Agreement in the amount of approximately \$6,365,409.11 (the “**Remaining ALS Escrow Proceeds**”) will be released;

WHEREAS, pursuant to the Escrow Direction Letter, Sellers and Credit Strategies agreed that the Remaining ALS Escrow Proceeds would remain with the ALS Escrow Agent subject to the terms of the ALS Escrow Agreement until such time as Sellers, Credit Strategies, SHIP, Bankers Conesco Life Insurance Company (“**BCLIC**”), Washington National Insurance Company (“**WNIC**”), and Beechwood Bermuda International Limited (“**BBIL**”) (for its BBIL-Custody Account) agree in writing to the disbursement and application of the Remaining ALS Escrow Proceeds pursuant to Section 5 of the ALS Escrow Agreement.

WHEREAS, SHIP commenced an action entitled *Senior Health Insurance Company of Pennsylvania v. Beechwood Re Ltd., et al.*, Case No. 1:18-cv-06658 (JSR), in the United States District Court for the Southern District of New York (the “**SHIP Action**”) against certain parties that are not a party to this Agreement;

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WHEREAS, Martin Trott and Christopher Smith, as Joint Official Liquidators and Foreign Representatives of Platinum Partners Value Arbitrage Fund L.P. (in Official Liquidation) and Platinum Partners Value Arbitrage Fund L.P. (in Official Liquidation) commenced an action entitled *Trott, et al. v. Platinum Management (NY) LLC, et al.*, Case No. 1:18-cv-10936 (JSR), in the United States District Court for the Southern District of New York (the “**Trott Action**”);

WHEREAS, the PPCO Receiver, by and for certain of the Receivership Entities, commenced an action against the SHIP Parties and certain other defendants not a party to this Agreement entitled *Cyganowski v. Beechwood Re Ltd, et al.*, Case No. 18-cv-12018, in the United States District Court for the Southern District of New York (the “**Cyganowski Action**”);

WHEREAS, SHIP brought cross-claims and third-party claims in the Cyganowski Action against certain parties not a party to this Agreement;

WHEREAS, the SHIP Action, the Trott Action, and the Cyganowski Action have been consolidated for discovery purposes under the master docket entitled *In re Platinum-Beechwood Litigation*, Case No. 1:18-cv-06658 (JSR) (collectively, the “**Consolidated Actions**”), in the United States District Court for the Southern District of New York;

WHEREAS, PGS, Platinum Partners Value Arbitrage Fund L.P., and Martin Trott and Christopher Smith, Joint Official Liquidators of Platinum Partners Value Arbitrage Fund L.P. (in official liquidation) commenced an action against the SHIP Parties and others entitled *Principal Growth Strategies, LLC, et al. v. AGH Parent LLC, et al.*, Case No. 2019-0431, in the Court of Chancery of the State of Delaware (the “**DE Action**”);

WHEREAS, on January 29, 2020, following the application by the Insurance Commissioner of the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania issued an Order of Rehabilitation (the “**Rehabilitation Order**”) in the action entitled *In Re Senior Health Insurance Company of Pennsylvania, in Rehabilitation*, No. 1 SHP 2020 (the “**SHIP Rehabilitation Proceeding**”) placing SHIP into rehabilitation and appointing the Insurance Commissioner of the Commonwealth of Pennsylvania as Rehabilitator (the “**SHIP Rehabilitator**”) and vesting her with all of the powers and authority of a rehabilitator as set forth in Section 516 of the Insurance Department Act of 1921, 40 P.S. §221.15 *et seq.* (the “**Rehabilitation Statute**”);

WHEREAS, in exercising the authority vested in her by the Rehabilitation Statute and Order, on January 29, 2020, the SHIP Rehabilitator appointed Patrick H. Cantilo as Special Deputy Rehabilitator (“**SDR**”) of SHIP, authorizing him to exercise the SHIP Rehabilitator’s authority;

WHEREAS, the SHIP Parties and BAM Admin, as Agent, each filed the proofs of claim in the PPCO Receivership Action identified on Schedule 1 hereto (the “**Proofs of Claim**,” and each a “**Proof of Claim**”);

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WHEREAS, pursuant to Section 10.5 of the NPA, BAM Admin is required to maintain a register reflecting the holders of record of the PPMF Notes (the “**Register**”);

WHEREAS, the most recent copy of the Register provided to the Parties is titled “PPMF Debt Registry as of 09.30.2019,” a paper copy of which is annexed hereto as **Exhibit A** and an electronic copy of which was e-mailed from Craig Martin, Esq. to Adam Silverstein, Esq. on June 4, 2020 at 9:42 p.m. (the “**PPMF Debt Registry**” which term refers to the first page thereof which is tabbed “Registry” and “rows” of which refers to the numbered rows on the electronic version of the “Registry”);

WHEREAS, the PPMF Debt Registry, shows the following PPMF Note Lender of Record holdings at September 30, 2019:

- SHIP is shown as the Lender of Record for (i) the portion of PPMF Note 1 referred to on rows 4-6 of the PPMF Debt Registry in the amount of \$15,804,397.58 in principal and \$3,864,646.71 in accrued interest as of September 30, 2019, (ii) the portion of PPMF Note 1 referred to on row 11 of the PPMF Debt Registry in the amount of \$10,868,454.74 in principal and \$2,736,530.04 in accrued interest as of September 30, 2019, and (iii) the portions of PPMF Note 3 and PPMF Note 5 referred to on row 12 of the PPMF Debt Registry in the combined amount of \$682,189.95 in principal and \$171,766.18 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, collectively, the “**SHIP Lender of Record Interests**”);
- BBIL is shown as the Lender of Record for (i) the portion of PPMF Note 2 referred to on row 13 of the PPMF Debt Registry in the amount of \$5,396,293.00 in principal and \$1,407,568.40 in accrued interest as of September 30, 2019, (ii) the portion of PPMF Note 4 referred to on row 15 of the PPMF Debt Registry in the amount of \$1,370,509.63 in principal and \$357,483.56 in accrued interest as of September 30, 2019, and (iii) the portion of PPMF Note 4 referred to on row 18 of the PPMF Debt Registry in the amount of \$2,765,896.78 in principal and \$721,456.17 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, collectively, the “**BBIL Lender of Record Interests**”);
- BCLIC is shown as the Lender of Record for (i) the portion of PPMF Note 2 referred to on row 7 of the PPMF Debt Registry in the amount of \$5,788,297.58 in principal and \$1,457,415.11 in accrued interest as of September 30, 2019 and (ii) the portion of PPMF Note 3 referred to on row 8 of the PPMF Debt Registry in the amount of \$291,120.37 in principal and \$73,300.16 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, collectively, the “**BCLIC Lender of Record Interests**”);
- WNIC is shown as the Lender of Record for (i) the portion of PPMF Note 4 referred to on row 9 of the PPMF Debt Registry in the amount of \$1,234,860.02 in principal and \$310,921.09 in accrued interest as of September 30, 2019 and (ii) the portion of

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PPMF Note 5 shown on row 10 of the PPMF Debt Registry in the amount of \$407,568.48 in principal and \$102,620.25 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, collectively, the **“WNIC Lender of Record Interests”**);

- PBLA ULICO 2017 is shown as the Lender of Record for (i) the portion of PPMF Note 2 referred to on row 14 of the PPMF Debt Registry in the amount of \$270,549.18 in principal and \$63,548.57 of accrued interest as of September 30, 2019 and (ii) the portion of PPMF Note 4 referred to on row 16 of the PPMF Debt Registry in the amount of \$68,712.03 in principal and \$16,139.58 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, collectively, the **“PBLA ULICO 2017 Lender of Record Interests”**);
- BBIL ULICO 2014 is shown as the Lender of Record for the portion of PPMF Note 4 referred to on row 17 of the PPMF Debt Registry in the amount of \$1,530,543.58 in principal and \$397,883.98 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, the **“BBIL ULICO 2014 Lender of Record Interest”**);
- OMNIA Ltd. is shown as the Lender of Record for the portion of PPMF Note 4 referred to on row 19 of the PPMF Debt Registry in the amount of \$2,660,350.89 in principal and \$777,163.67 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, the **“OMNIA Lender of Record Interest”**); and
- Principal Growth Strategies, LLC is shown as the Lender of Record for portions of PPMF Note 1 and PPMF Note 4 referred to on row 20 of the PPMF Debt Registry in the combined amount of \$30,650,512.27 in principal and \$5,951,657.98 in accrued interest as of September 30, 2019 (together with all interest and other amounts accrued and accruing thereon, the **“PGS Lender of Record Interest”**).

WHEREAS, by one or more separate agreement(s) (the **“SHIP-Beechwood Agreement”**), SHIP has acquired or will acquire: (i) all rights, title and interests, if any, of Beechwood Capital Group, LLC (**“BCG”**), B Asset Manager LP (**“BAM I”**), B Asset Manager II, LP (**“BAM II”**), Beechwood Re Investments, LLC (**“BRILLC”**), Beechwood Re Holdings, Inc. (**“BREHoCo”**), Beechwood Re Ltd. (**“BRe”**), BBIL, Beechwood Bermuda Ltd. (**“BBL”**); Moshe M. Feuer a/k/a Mark Feuer (**“Feuer”**); and Scott A. Taylor (**“Taylor”**) (collectively with BAM, the **“Beechwood Parties”**) in, to and under the NPA, PPMF Notes, MSA, Ratification Agreement, A&R MSA, Subsidiary Guaranty, March 2016 Subsidiary Guaranty, UCC-1s and Proofs of Claim, including, but not limited to, the BBIL Lender of Record Interests and except for any rights, title or interest in, to and under the NPA, PPMF Notes, MSA, Ratification Agreement, A&R MSA, Subsidiary Guaranty, March 2016 Subsidiary Guaranty, UCC-1s and Proofs of Claim held by BAM Admin, solely in its capacity as Agent (the **“SHIP Acquired Interests”**), (ii) the Beechwood Parties’ releases of the PPCO Releasees (defined below) in the form and substance attached hereto as **Exhibit B**; (iii) BBIL’s release of, or right to release on

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BBIL's behalf, any entitlement to any and all of the Remaining ALS Escrow Proceeds and BBIL's consent, or the right to consent on BBIL's behalf, to the release from escrow of the Remaining ALS Escrow Proceeds in accordance with the Receiver's directions, in the form and substance attached hereto as **Exhibit C**; (iv) the instruction of BAM, jointly with the Receiver, to the ALS Escrow Agent to release the Remaining ALS Escrow Proceeds in accordance with the directions of the Receiver, in the form and substance attached hereto as **Exhibit D**; and (v) the Beechwood Parties' signatures on the Stipulation of Dismissal dismissing the claims by the Receiver against the Beechwood Parties in the Cyganowski Action (the "**Beechwood Stipulation of Dismissal**") in the form and substance attached hereto as **Exhibit E** (collectively, the "**Beechwood Deliverables**").

WHEREAS, without admitting or accepting liability, each Party believes it is in their individual and respective best interests to enter into this Agreement to facilitate the efficient resolution of claims asserted by any Party against any other Party in the Consolidated Actions and in the PPCO Receivership Action, but not the DE Action;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained in this Agreement, and for other and further good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the avoidance of further costs, inconvenience, and uncertainties of continuing litigation, each Party, without admission of liability, and intending to be legally bound as provided for in this Agreement, hereby agrees as follows.

TERMS

1. **Recitals.** The Recitals to this Agreement are incorporated into and made a part of this Agreement.

2. **Additional Definitions.** The following terms have the following meanings:

"**Business Day**" means any day that is (a) a Monday, Tuesday, Wednesday, Thursday or Friday on which banks in the State of New York are open for the transaction of a substantial part of their commercial banking business and (b) not a legal holiday in the State of New York.

"**PPMF Subsidiaries**" means all direct or indirect subsidiaries of PPMF, including, but not limited to: (1) ALS Capital Ventures, LLC; (2) ALS Life Holdings, LLC; (3) Atlantic Growth Capital LLC; (4) Alpha Credit Resources LLC; (5) Bakken Development Opportunities I LLC; (6) Beta Credit Services LLC; (7) Burr Capital LLC; (8) Cedarbridge Healthcare Management LLC; (9) Centurion Structured Growth LLC; (10) Credit Funding LLC; (11) Credit International LLC; (12) Credit Mining LLC; (13) Credit Strategies LLC; (14) Diamed Holdings LLC; (15) Energy Capital Corp.; (16) Financial Ventures LLC; (17) Hamilton Capital LLC; (18) Hamilton Capital II LLC; (19) Hamilton Capital III LLC; (20) Hamilton Capital IV LLC; (21) Hamilton Capital V LLC; (22) Hamilton Capital VI LLC; (23) Hamilton Capital VII LLC; (24) Hamilton Capital VIII LLC; (25) Hamilton Capital IX LLC; (26) Hamilton Capital X LLC; (27) Hamilton Capital XI LLC; (28) Hamilton Capital XII LLC; (29) Hamilton Capital XIII LLC; (30) Hamilton Capital XIV LLC; (31) Hamilton Capital XV LLC;

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(32) Hamilton Capital XVI LLC; (33) Hamilton Capital XVII LLC; (34) Hamilton Capital XVIII LLC; (35) Hillcrest Trading Partners LLC; (36) IP Capital LLC; (37) JARM Capital LLC; (38) JH Funding LLC; (39) Lakewood Group LLC; (40) LC Energy Holdings LLC; (41) LC Energy Operations LLC; (42) L2 Leasing Holdings, LLC; (43) M.A.G. Insurance Services Group, LLC; (44) Maximilian Investors, LLC; (45) Maximilian Resources, LLC; (46) Northrock Financial LLC; (47) Partner Growth Capital LLC; (48) Pea and Eigh Company LLC; (49) Photon Management LLC; (50) Platinum Long Term Growth VIII LLC; (51) Platinum Partners Credit International LLC; (52) Platinum Partners Credit International LP; (53) Pro Master Group LLC; (54) Pro Player Funding LLC; (55) PTLG VIII Iron Ore LLC; (56) RE Credit LLC; (57) Regis Capital LLC; (58) RJ Funding LLC; (59) Secure Holdings LLC; (60) Titan Trade Finance LLC; (61) Voltage Energy Holdings Co LLC; (62) West Ventures LLC; and (63) Wintercrest Advisors LLC.

3. Effectiveness of this Agreement.

a. Except for the terms of this Paragraph 3, this Agreement and the settlement provided for herein are expressly subject to and conditioned upon the occurrence of each of the following events: (i) the execution of the SHIP-Beechwood Agreement transferring to SHIP each of the Beechwood Deliverables; and (ii) the PPCO Receivership Court shall have entered an order (in a form and substance mutually acceptable to the Parties) approving this Agreement and the settlement provided for herein (the “**Approval Order**”). Provided that the SHIP-Beechwood Agreement transferring to SHIP each of the Beechwood Deliverables has been executed, this Agreement shall be effective on the date on which the Approval Order is entered (the “**Effective Date**”).

b. Within five (5) Business Days after the later of (i) the Execution Date and (ii) the date on which the SHIP-Beechwood Agreement transferring to SHIP each of the Beechwood Deliverables is executed by all parties thereto, the PPCO Receiver shall cause to be filed with the PPCO Receivership Court a motion and a proposed Approval Order (each in a form approved by the other Parties) seeking authorization and approval of this Agreement and the settlement provided for in this Agreement (the “**Approval Motion**”). All Parties shall take such actions as are reasonably necessary or as are required by the PPCO Receivership Court to support the entry of the Approval Order.

c. If for any reason (i) the SHIP-Beechwood Agreement transferring to SHIP each of the Beechwood Deliverables is not executed by all parties thereto on or before the date on which the Approval Order is entered, or (ii) the PPCO Receivership Court denies the Approval Motion or enters an order approving this Agreement that is materially different in substance from the proposed Approval Order submitted with the Approval Motion, then: (a) this Agreement immediately shall be deemed, and shall be, void *ab initio* and of no force and effect; (b) the Parties shall be deemed not to have waived any right, or to have settled any controversy, that existed prior to the execution of this Agreement; (c) the Parties shall be restored to their respective positions that existed immediately prior to the execution of this Agreement; and (d) neither this Agreement, nor any document or instrument delivered hereunder, nor any statement, transaction or proceeding in connection with the negotiation, execution or implementation of this Agreement, shall be (i) deemed to be, or construed as, an admission by any of the Parties, or (ii) offered in evidence or otherwise used for any purpose in the PPCO Receivership Action, the

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Cyganowski Action, the DE Action or any other action or proceeding involving any Party hereto regarding the subject matter of any Action.

d. If this Agreement becomes void by any of the circumstances set forth in subparagraph c. of this Paragraph 3, then the Parties shall promptly meet and confer in an effort to agree on a process and schedule for resuming litigation of the Cyganowski Action and proceedings, if any, in the PPCO Receivership Court.

4. **Payment to SHIP/Into Escrow.** Within two (2) Business Days after the Effective Date, the PPCO Receiver shall pay to SHIP in good and sufficient funds, the sum of Fourteen Million Dollars (\$14,000,000.00) (the “**Settlement Amount**”) as follows: (a) the sum of Nine Million Four Hundred Sixty-Nine Thousand Eight Hundred Forty Four Dollars and Thirty Two Cents (\$9,469,844.32) to SHIP by wire transfer in accordance with instructions to be provided by SHIP on or before one (1) Business Day after the Effective Date; and (b) the sum of Four Million Five Hundred Thirty Thousand One Hundred Fifty Five Dollars and Sixty Eight Cents (\$4,530,155.68) (the “**Indemnity Escrow Amount**”) by wire transfer to the Indemnity Escrow Agent (defined below) by wire transfer in accordance with wire instructions to be provided by the Indemnity Escrow Agent on or before one (1) Business Day after the Effective Date.

5. **Release of Claim to Escrow Funds.** As soon after the Effective Date as the Receiver files the Beechwood Stipulation of Dismissal in the Cyganowski Action, the SHIP Parties shall deliver to the Receiver (a) a letter executed by both SHIP and BBIL, or SHIP on behalf of itself and BBIL, and addressed to the ALS Escrow Agent in a form substantially similar to the form attached hereto as **Exhibit C** (the “**ALS Escrow Claim Letter**”) (i) releasing any and all right, title, claim and interest that any of the SHIP Parties or BBIL, for itself or its custody accounts, assert with respect to the Remaining ALS Escrow Proceeds and (ii) consenting to the release from escrow of the Remaining ALS Escrow Proceeds in accordance with the directions of the Receiver, and (b) a letter executed by BAM Admin, to be co-signed by the Receiver, directing the ALS Escrow Agent to release the Remaining ALS Escrow Proceeds in accordance with the Receiver’s instructions in form and substance substantially similar to the form attached hereto as **Exhibit D** (the “**ALS Joint Direction Letter**”). Counsel for the PPCO Parties is authorized by the Parties to deliver the ALS Escrow Claim Letter and ALS Joint Direction Letter to the ALS Escrow Agent at any time on or after the Effective Date.

6. **Directions to BAM Admin.** Within two (2) Business Days after the Receiver’s filing of the SHIP Stipulation of Dismissal (defined below) in the Cyganowski Action, SHIP shall deliver to BAM Admin written instruction, as title owner of the SHIP Lender of Record Interests and the SHIP Acquired Interests, to BAM Admin to (a) release any lien held by BAM Admin, as Agent, on assets of the PPCO Parties under the MSA and/or A&R MSA, and (b) withdraw with prejudice the Proof of Claim by BAM Admin, as Agent, to the extent that Proof of Claim purports to asserts claims, as agent, as to any claims for which any of the SHIP Parties or any of the Beechwood Parties is the principal, including any claims based upon the SHIP Acquired Interests.

*EXECUTION VERSION***7. Mutual Releases.**

a. Contemporaneously with the payment of the Settlement Amount in good and sufficient funds in accordance with Paragraph 4 hereof and the receipt thereof by SHIP and the Indemnity Escrow Agent, each of the SHIP Parties, for themselves and their respective past, present and future principals, beneficiaries, agents, insurers, attorneys, predecessors, successors, assigns, trustees, receivers, heirs, personal representatives, and anyone that may claim by or through any of them (the “**SHIP Party Releasors**”), do hereby waive, remise, release, forever discharge and covenant not to sue, to the fullest extent provided by law, each of the PPCO Parties, their successors and assigns, and their past, present and future trustees, receivers, employees, agents, successors, assigns and attorneys of and for the Receivership Estate (the “**PPCO Party Releasees**”), from and against any and all past, present and future causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all other liabilities, claims or demands whatsoever, at law or equity, whether based in contract, tort or otherwise, whether secured or unsecured, whether in the form of debt or equity, known or unknown, suspected or unsuspected, discovered or undiscovered, whether asserted or unasserted, whether or not accrued, that any of the SHIP Party Releasors now have, ever had, or hereafter can, will or may have against any of the PPCO Party Releasees, from the beginning of the world through, and including, the Effective Date.

b. Contemporaneously with payment of the Settlement Amount in good and sufficient funds in accordance with Paragraph 4 hereof and the receipt thereof by SHIP and the Indemnity Escrow Agent, each of the PPCO Parties for themselves, and all of those that may claim by or through them (the “**PPCO Party Releasors**”), do hereby waive, remise, release, forever discharge and covenant not to sue, to the fullest extent provided by law, each of the SHIP Parties and their respective successors and assigns (provided, however, that, as used in this subparagraph 7(b), the terms “successors” and “assigns” shall not include any persons or entities that own or owned interests or participations in any of the PPMF Notes) and their past, present and future principals, beneficiaries, agents, insurers, attorneys, predecessors, trustees, receivers, heirs, and personal representatives (the “**SHIP Party Releasees**”) of, from and against any and all past, present and future causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all other liabilities, claims or demands whatsoever, at law or equity, whether based in contract, tort or otherwise, whether secured or unsecured, whether in the form of debt or equity, known or unknown, suspected or unsuspected, discovered or undiscovered, whether asserted or unasserted, whether or not accrued, that any of the PPCO Party Releasors ever had, now have, ever had, or hereafter can, will or may have, now has, or may have against the SHIP Party Releasees, or any of them, from the beginning of the world through, and including, the Effective Date.

c. The SHIP Party Releasees covenant not to sue the PPCO Party Releasees or any of them for any causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all

EXECUTION VERSION

other liabilities, claims or demands whatsoever, at law or equity, whether based in contract, tort or otherwise, whether secured or unsecured, whether in the form of debt or equity, known or unknown, suspected or unsuspected, discovered or undiscovered, whether asserted or unasserted, whether or not accrued, whether arising before, on, or after the Effective Date, arising out of or relating to the release of the SHIP Lender of Record Interests and/or the SHIP Acquired Interests.

d. Notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement shall waive or release any claim or right by any Party to enforce the terms of this Agreement.

e. Notwithstanding the Releases set forth in Paragraphs 7(a) and 7(b), the DE Action shall be unaffected by this Agreement, except that the PPCO Party Releasors shall not directly assert any claims against any of the SHIP Party Releasees, and the SHIP Party Releasors shall not directly assert any claims against any of the PPCO Party Releasees, in the DE Action. For the avoidance of doubt: (i) the terms “PPCO Party Releasors” and “PPCO Party Releasees” do not include PGS; and (ii) the SHIP Party Releasors shall not be barred or prevented by this Agreement from asserting any claims or defenses of any nature against any party to the DE Action.

f. For avoidance of doubt, the Release in Paragraph 7(a) includes (i) a release of all of the SHIP Parties’ rights, title or interest in, to and under the PPMF Notes, NPA, MSA, A&R MSA, Ratification Agreement, Subsidiary Guaranty, March 2016 Subsidiary Guaranty, UCC-1s and Proofs of Claim, including, but not limited to, the SHIP Acquired Interests.

g. For further avoidance of doubt, no Party hereby releases or waives (i) any rights, causes of action, claims, counter-claims, or cross-claims that such Party has or may have against any person or entity other than the PPCO Party Releasees and SHIP Releasees, including, but not limited to, BAM Admin, as Agent, Eli Global, LLC, Universal Life Insurance Company, PLBA ULICO 2017, BBIL ULICO 2014, OMNIA or PGS, or (ii) any defenses that such Party may have to any claims brought by a person or entity other than the PPCO Party Releasors and SHIP Releasors (“**Preserved Third-Party Claims**”). Notwithstanding any provision of this Agreement to the contrary, and for the further avoidance of doubt, each Party expressly reserves all rights with respect to all such Preserved Third-Party Claims, including, but not limited to, any rights, causes of action, claims, counter-claims, cross-claims or defenses that such Party has or may have against any of the Beechwood Parties.

8. Dismissals; Withdrawals.

a. Within two (2) Business Days after receipt of the Settlement Amount in good and sufficient funds in accordance with Paragraph 4 hereof, the PPCO Receiver shall file a stipulation of dismissal in the form attached as **Exhibit F** hereto (“**SHIP Stipulation of Dismissal**”), with each party to bear her or its own costs, dismissing any and all claims or causes of action brought by the Receiver against any SHIP Party in the Cyganowski Action with prejudice, together with a request, in which SHIP shall join, for the Court in the Cyganowski Action to “So Order” the SHIP Stipulation of Dismissal.

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b. Within two (2) Business Days after entry of the SHIP Stipulation of Dismissal in accordance with Paragraph 8(a) the SHIP Parties shall withdraw with prejudice the Proofs of Claim filed by the SHIP Parties in the PPCO Receivership Action.

9. **Accord and Satisfaction.** Contemporaneously with payment of the Settlement Amount in good and sufficient funds in accordance with Paragraph 4 hereof, this Agreement and payment of the Settlement Amount shall be an accord and satisfaction of all rights, title or interest in, to and under the Lender of Record interests the PPMF Notes shown on rows 4-6, 11-13, 15 and 18 of the PPMF Debt Registry.

10. **Indemnification/Escrow.**

a. SHIP shall indemnify and hold the PPCO Parties harmless from all suits, debts, expenses, losses, claims, proofs of claim, damages, suits, proceedings and liabilities, including, without limitation, reasonable attorneys' fees and expenses, arising from the PBLA ULICO 2017 Lender of Record Interests, the BBIL ULICO 2014 Lender of Record Interest and/or the OMNIA Lender of Record Interest, up to a maximum of the Indemnity Escrow Amount.

b. The Indemnity Escrow Amount shall be held in escrow by Wilmington Trust, National Association (the "**Indemnity Escrow Agent**") in accordance with the terms of a written escrow agreement (the "**Indemnity Escrow Agreement**"). Each of the Receiver, for the PPCO Parties, and the SDR, for the SHIP Parties, agree to negotiate in good faith and execute, on or before the date on which the Approval Order is entered, the Indemnity Escrow Agreement to ensure that the Indemnity Escrow Amount is available to be distributed, and is distributed, in a manner consistent with the indemnity agreement in Paragraph 10(a).

11. **Representations and Warranties by the SHIP Parties.** Each of the SHIP Parties makes the following representations and warranties to the PPCO Parties as of the Execution Date:

a. The SHIP Party Releasors own and have the right to release the causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all other liabilities, claims or demands released in Paragraph 7(a) hereof including, without limitation, the SHIP Lender of Record Interests and the SHIP Acquired Interests.

b. SHIP is the current owner of and has the right to release the Lender of Record interest in PPMF Note 1 shown on rows 4-6 and 11 of the PPMF Debt Registry and the Lender of Record interests in PPMF Note 3 and PPMF Note 5 shown on row 12 of the PPMF Debt Registry.

c. BBIL or SHIP, pursuant to the SHIP-Beechwood Agreement, is the current owner of and has the right to release the Lender of Record interest in PPMF Note 2 shown on row 13 of the PPMF Debt Registry and the Lender of Record interests in PPMF Note 4 shown on rows 15 and 18 of the PPMF Debt Registry.

EXECUTION VERSION

d. The execution, delivery and performance of this Agreement by SHIP Parties have been duly authorized by all requisite action on the part of the SHIP Parties.

12. **Representations and Warranties by the PPCO Parties.** Each of the PPCO Parties makes the following representations and warranties to each of the SHIP Parties as of the Execution Date:

a. The PPCO Party Releasors own and have the right to release the causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all other liabilities, claims or demands released in Paragraph 7(b) hereof.

b. The execution, delivery and performance of this Agreement by the PPCO Parties have been duly authorized by all requisite action on the part of the PPCO Parties.

13. **Agreement Subject to FRE 408.** This Agreement shall be deemed to fall within the broadest protections afforded compromises and offers to compromise by Rule 408 of the Federal Rules of Evidence and any comparable or similar provisions of state law. Neither this Agreement, nor the fact of its existence, nor any terms hereof, nor any negotiations had or actions taken with respect to or under this Agreement, shall be offered or received in evidence in any case or proceeding involving any of the Parties hereto or any other party released pursuant to the provisions of this Agreement in any court, tribunal or administrative agency to prove liability. Nothing herein is intended to limit the parties hereto from utilizing this Agreement to implement and enforce its provisions.

14. **No Admissions.** The Parties acknowledge and agree that neither the entry into this Agreement nor any action taken pursuant to its terms shall constitute or be construed as an admission by anyone, including any Party, of any wrongdoing or liability. This Agreement, each of its provisions, any prior drafts thereof, any negotiations related to this Agreement, and any matter arising in connection with such negotiations, will not be offered or received in evidence or referred to or relied upon by anyone, including any Party, in any action or proceeding; provided, however, that nothing in this Paragraph 14 will affect the ability of any Party (a) to offer, refer to or rely on any evidence in any action or proceeding brought to enforce the terms of this Agreement or (b) to gain PPCO Receivership Court approval of this Agreement.

15. **Representations and Warranties.** Each Party represents and warrants that: (i) she, he, or it has been represented by counsel in connection with this Agreement and is executing this Agreement with full knowledge and understanding of its terms; (ii) her, his, or its signatory has full authority to execute this Agreement on her, his, or its behalf and to bind herself, himself, or itself to this Agreement by execution hereof; (iii) each Party has obtained, or will obtain in the Approval Order, all necessary legal approvals to enter into, and bind herself, himself, or itself to, this Agreement; (iv) the execution and delivery of this Agreement will not violate any agreement, court order, administrative order of any governmental entity, or any law or governmental regulation; and (v) she, he, or it has not sold, assigned or otherwise transferred to any person any of her, his, or its rights with respect to the claims released in this Agreement. All

EXECUTION VERSION

representations and warranties set forth in this Agreement shall survive both its execution and entry of the Approval Order.

16. Miscellaneous.

a. Notice. All notices and other communications given and made pursuant to this Agreement shall be in writing and shall be deemed delivered: (a) upon personal delivery to the Party to be noticed; (b) upon delivery by electronic mail or facsimile when confirmed by the recipient, if sent during normal business hours of the recipient, and if not so confirmed or not during normal business hours of the recipient, then on the next Business Day; or (c) when sent by Federal Express or comparable overnight courier, one Business Day after delivering the letter or package to Federal Express or comparable overnight courier service

If to the PPCO Receivership Parties:

Otterbourg P.C.
Attn: Erik B. Weinick, Esquire
230 Park Avenue
New York, New York 10169
eweinick@otterbourg.com

-and-

Platinum Partners
Attn: Brent Weisenberg, Esquire
230 Park Avenue, Third Floor West, Suite 323
New York, New York 10169
bweisenberg@platinumlp.com

If to the SHIP Parties:

Senior Health Insurance Company of Pennsylvania
550 Congressional Blvd., Suite 200
Carmel, Indiana 46032
Attn: Kristine Tejano Rickard, General Counsel
E-mail: krickard@shipltc.com

-and-

Aidan M. McCormack
DLA Piper LLP (US)
1251 Avenue of the Americas
New York, New York 10020-1104
E-mail: aidan.mccormack@dlapiper.com.

b. Venue and Choice of Law. The Parties consent and submit to the exclusive jurisdiction of the PPCO Receivership Court with respect to any actions or proceedings relating

EXECUTION VERSION

to the enforcement or interpretation of this Agreement, and any Party bringing an action or proceeding relating to the enforcement or interpretation of this Agreement shall bring such action or proceeding in the PPCO Receivership Court. This Agreement and all claims and disputes arising out of or in connection with this Agreement, shall be governed by, and shall be construed in accordance with, the laws of the State of New York, without regard to its choice of law principles. Each of the Parties hereto hereby waives any right to a trial by jury in any action, proceeding or counterclaim based upon or arising out of this Agreement or any of the transactions related hereto, and agrees that any such action, proceeding or counterclaim shall be tried before a court and not before a jury.

c. Entire Agreement. This Agreement constitutes the entire and only agreement among the Parties concerning the subject matter hereof. This Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements or understandings among the Parties concerning the subject matter hereof, including, but not limited to, any term sheets exchanged prior to the execution of this Agreement. The Parties acknowledge that this Agreement is not being executed in reliance on any verbal or written agreement, promise or representation not contained herein.

d. No Oral Modifications. This Agreement may be modified or amended only by a writing signed by a duly authorized representative of each of the Parties hereto. No waiver of any breach of any term or provision of this Agreement shall be construed as a waiver of any subsequent breach.

e. Construction. This Agreement constitutes a fully negotiated agreement among commercially sophisticated parties and therefore shall not be construed or interpreted for or against any Party, and any rule or maxim of construction to such effect shall not apply to this Agreement.

f. Headings. The headings in this Agreement are intended only for convenience and shall not be construed to be or interpreted as a part, or limitation on the scope, of any term in this Agreement.

g. Binding Effect; Successor and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns; provided that no Party may assign its rights or obligations under this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld or delayed, and any assignment not in accordance with the terms hereof shall be null and void *ab initio*.

h. Costs. Each Party shall bear her, his or its own costs in connection with the negotiation and execution of this Agreement and the transactions contemplated hereunder.

i. Severability. If any portion or portions of this Agreement or any document executed in connection herewith are held by a court of competent jurisdiction to conflict with any federal, state or local law, and as a result such portion or portions are declared to be invalid and of no force or effect in such jurisdiction, all remaining provisions of this Agreement or any

EXECUTION VERSION

document executed herewith shall otherwise remain in full force and effect and be construed as if such invalid portion or portions has not been included herein.

j. Further Assurances. The Parties each agree to execute such further and additional documents, instruments and writings as may be reasonably necessary, proper, required, desirable or convenient for the purpose of fully effectuating the terms and provisions of this Agreement.

k. PDFs as Originals. This Agreement may be executed using facsimile or PDF signatures, with the same effect as if the signatures were original. Facsimile or electronic copies of this Agreement shall be deemed for all purposes to have the same force and effect of the original thereof.

l. Counterparts. This Agreement may be executed in counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the Parties need not appear on the same counterpart.

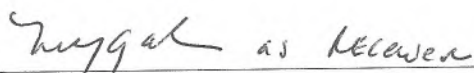
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EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the date set forth above.

Date: July 1, 2020

MELANIE CYGANOWSKI, AS RECEIVER
FOR PLATINUM PARTNERS CREDIT
OPPORTUNITIES MASTER FUND L.P.,
PLATINUM PARTNERS CREDIT
OPPORTUNITIES FUND (TE) LLC,
PLATINUM PARTNERS CREDIT
OPPORTUNITIES FUND LLC, PLATINUM
PARTNERS CREDIT OPPORTUNITIES
FUND INTERNATIONAL LTD.,
PLATINUM PARTNERS CREDIT
OPPORTUNITIES FUND
INTERNATIONAL (A) LTD, PLATINUM
CREDIT MANAGEMENT, L.P., PLATINUM
LIQUID OPPORTUNITY MANGEMENT
(NY) LLC, PLATINUM PARTNERS LIQUID
OPPORTUNITY MASTER FUND L.P., AND
PLATINUM PARTNERS LIQUID
OPPORTUNITY FUND (USA) L.P.

 as Receiver

Dated: July 1, 2020

SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA, IN
REHABILITATION

By: _____
Name: Patrick Cantilo
Title: Special Deputy Rehabilitator

EXECUTION VERSION

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the date set forth above.

Date: July 1, 2020

MELANIE CYGANOWSKI, AS RECEIVER
FOR PLATINUM PARTNERS CREDIT
OPPORTUNITIES MASTER FUND L.P.,
PLATINUM PARTNERS CREDIT
OPPORTUNITIES FUND (TE) LLC,
PLATINUM PARTNERS CREDIT
OPPORTUNITIES FUND LLC, PLATINUM
PARTNERS CREDIT OPPORTUNITIES
FUND INTERNATIONAL LTD.,
PLATINUM PARTNERS CREDIT
OPPORTUNITIES FUND
INTERNATIONAL (A) LTD, PLATINUM
CREDIT MANAGEMENT, L.P., PLATINUM
LIQUID OPPORTUNITY MANGEMENT
(NY) LLC, PLATINUM PARTNERS LIQUID
OPPORTUNITY MASTER FUND L.P., AND
PLATINUM PARTNERS LIQUID
OPPORTUNITY FUND (USA) L.P.

Melanie Cyganowski as Receiver

Dated: July 1, 2020

SENIOR HEALTH INSURANCE COMPANY
OF PENNSYLVANIA, IN
REHABILITATION

By: Patrick Cantilo

Name: Patrick Cantilo

Title: Special Deputy Rehabilitator

EXECUTION VERSION

SCHEDULE 1 TO SETTLEMENT AGREEMENT

PROOFS OF CLAIMS

Part A. Proofs of Claim by SHIP

1. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Credit Opportunities Master Fund LP, which was assigned claim number PTM 256;
2. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Credit Opportunities Fund LLC, which was assigned claim number PTM 255;
3. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Liquid Opportunity Management (NY) LLC, which was assigned claim number PTM 248;
4. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Liquid Opportunity Master Fund L.P., which was assigned claim number PTM 258;
5. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Credit Opportunities Fund International (A) Ltd., which was assigned claim number PTM 253;
6. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Credit Opportunities Fund (TE) LLC, which was assigned claim number PTM 249;
7. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Credit Opportunity Fund (BL) LLC, which was assigned claim number PTM 326;
8. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Liquid Opportunity Fund (USA) L.P., which was assigned claim number PTM 257;

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9. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Partners Credit Opportunities Fund International Ltd., which was assigned claim number PTM 254; and
10. Creditor Proof of Claim Form submitted by SHIP on March 29, 2019 against Platinum Credit Management, L.P, which was assigned claim number PTM 247.

Part B. Proofs of Claims by Fuzion

1. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Credit Opportunities Master Fund LP, which was assigned claim number PTM 243;
2. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Credit Opportunities Fund LLC, which was assigned claim number PTM 242;
3. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Liquid Opportunity Management (NY) LLC, which was assigned claim number PTM 238;
4. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Liquid Opportunity Master Fund L.P., which was assigned claim number PTM 246;
5. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Credit Opportunities Fund International (A) Ltd., which was assigned claim number PTM 240;
6. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Credit Opportunities Fund (TE) LLC, which was assigned claim number PTM 239;
7. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Credit Opportunity Fund (BL) LLC, which was assigned claim number PTM 244;
8. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Liquid Opportunity Fund (USA) L.P., which was assigned claim number PTM 245;

EXECUTION VERSION

9. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Partners Credit Opportunities Fund International Ltd., which was assigned claim number PTM 241; and
10. Creditor Proof of Claim Form submitted by Fuzion on March 29, 2019 against Platinum Credit Management, L.P, which was assigned claim number PTM 237.

Part C. Proof of Claim By BAM Admin

1. Creditor Proof of Claim Form submitted by BAM Admin, as Agent, on March 28, 2019 against Platinum Partners Credit Opportunities Master Fund, LP, which was assigned claim number PTM 145.

EXHIBIT A

Platinum Partners Credit Opportunities Master Fund LP

Platinum Partners Credit Opportunities Master Fund LP					9/30/2019									
	Lender of Record (Inclusive of participations) (actual name)		Participant (actual name)		Lender of Record Principal Debt Amount (Inclusive of participations) (\$)	Lender of Record Accrued Interest Amount (Inclusive of participations) (\$)*	Lender of Record Debt Percentage (Inclusive of participations) (%)	Participant Debt Amount (\$)	Participant Accrued Income Amount (\$)*	Participant Debt Percentage (%)	Lender of Record Actual Economic Principal Debt Amount (exclusive of participations) (\$)	Lender of Record Actual Economic Accrued Income Amount (exclusive of participations) (\$)**	Lender of Record Actual Debt Percentage (exclusive of participations) (%)	Notes
Note Identifier		Account Ref		Account Reference										
PPMF Note 1	Senior Health Insurance Company of Pennsylvania	SHIP BAM			15,804,397.58	3,864,646.71	19.81%				5,026,159.27	1,265,518.99	6.30%	*** Interest (G) + Accrued Interest (Q)
			Beechwood Bermuda International Ltd.	Custody Account				2,599,215.12	677,978.95	3.26%				21.425%
			PBLA ULICO 2017					8,179,023.19	1,921,148.77	10.25%				96.017%
PPMF Note 2	Bankers Conesco Life Insurance Co.		Bre BCLIC Primary		5,788,297.58	1,457,415.11	7.25%				5,788,297.58	1,457,415.11	7.25%	* Accrued Interest (I) + Accrued Interest (Q)
PPMF Note 3	Bankers Conesco Life Insurance Co.		Bre BCLIC Sub		291,120.37	73,300.16	0.36%				291,120.37	73,300.16	0.36%	* Accrued Interest (I) + Accrued Interest (Q)
PPMF Note 4	Washington National Insurance Co.		Bre WNIC LTC Primary		1,234,860.02	310,921.09	1.55%				1,234,860.02	310,921.09	1.55%	* Accrued Interest (I) + Accrued Interest (Q)
PPMF Note 5	Washington National Insurance Co.		Bre WNIC LTC Sub		407,568.48	102,620.25	0.51%				407,568.48	102,620.25	0.51%	* Accrued Interest (I) + Accrued Interest (Q)
PPMF Note 1	Senior Health Insurance Company of Pennsylvania	Bre SHIP			10,868,454.74	2,736,530.04	13.62%				10,868,454.74	2,736,530.04	13.62%	* Accrued Interest (I) + Accrued Interest (Q)
PPMF Note 3;	Senior Health Insurance Company of Pennsylvania	BBIL SHIP			682,189.85	171,766.18	0.85%				682,189.85	171,766.18	0.85%	* Accrued Interest (I) + Accrued Interest (Q)
PPMF Note 2	Beechwood Bermuda International Ltd.	Custody Account			5,396,293.00	1,407,568.40	6.76%				5,396,293.00	1,407,568.40	6.76%	44.480%
PPMF Note 2	PBLA ULICO 2017				270,549.18	63,548.57	0.34%				270,549.18	63,548.57	0.34%	3.176%
PPMF Note 4	Beechwood Bermuda International Ltd.	Custody Account			1,370,509.63	357,483.56	1.72%				1,370,509.63	357,483.56	1.72%	11.297%
	PBLA ULICO 2017				68,712.03	16,139.58	0.09%				68,712.03	16,139.58	0.09%	0.807%
	BBIL ULICO 2014				1,530,543.58	397,883.98	1.92%				1,530,543.58	397,883.98	1.92%	
	Beechwood Bermuda International Ltd.	Custody Account			2,765,896.78	721,456.17	3.47%				2,765,896.78	721,456.17	3.47%	22.799%
PPMF Note 1;	OMNIA Ltd				2,660,350.89	777,163.67	3.33%				2,660,350.89	777,163.67	3.33%	
PPMF Note 1; PPMF Note 4	Principal Growth Strategies LLC *				30,650,512.27	5,951,657.98	38.41%				30,650,512.27	5,951,657.98	38.41%	Per \$26,779,775.07 Transferred 6/8/2016
Total					79,790,255.97	18,410,101.46	100.00%	10,778,238.31	2,599,127.72	13.51%	69,012,017.66	15,810,973.74	86.49%	
			BBIL Custody		12,131,914.52	3,164,487.08								
			PBLA ULICO 2017		8,518,284.40	2,000,836.92								

PPMF Note 1 - Secured Term Note, dated March 21, 2016, with a face amount of \$42,963,949.04, originally issued to SHIP

PPMF Note 2 - Secured Term Note, dated March 21, 2016, with a face amount of \$10,000,000, originally issued to Bre BCLIC Primary

PPMF Note 3 - Secured Term Note, dated March 21, 2016, with a face amount of \$500,000, originally issued to Bre BCLIC Sub

PPMF Note 4 - Secured Term Note, dated March 21, 2016, with a face amount of \$14,989,677.78, originally issued to Bre WNIC 2013 LTC Primary

PPMF Note 5 - Secured Term Note, dated March 21, 2016, with a face amount of \$700,000, originally issued to Bre WNIC 2013 LTC Sub

* Status of PPCO indebtedness attributed to Principal Growth Strategies LLC (PGS) above is uncertain based upon verbal representations by both initial Receiver of PPCO and counsel for PPVA liquidators that those PPCO debt amounts transferred to PGS are deemed extinguished.

EXHIBIT B

WHEREAS, Melanie L. Cyganowski, as receiver for Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., and Platinum Partners Credit Opportunities Fund (BL) LLC (the “**Receiver**”) commenced an action against Moshe M. Feuer a/k/a Mark Feuer, and Scott A. Taylor, Beechwood Bermuda International Ltd., Beechwood Bermuda Ltd., B Asset Manager LP, B Asset Manager II, LP, Beechwood Re Investments, LLC, Beechwood Re Holdings, Inc., BAM Administrative Services LLC (“**BAM ADMIN**”), and Beechwood Re (In Official Liquidation) (collectively, “**Beechwood Parties**”) in the proceeding entitled *Cyganowski v. Beechwood Re Ltd, et al.*, Case No. 18-cv-12018, in the United States District Court for the Southern District of New York (the “**Cyganowski Action**”);

WHEREAS, the Receiver has undertaken to file a stipulation of dismissal in the Cyganowski Action dismissing all Beechwood Parties except BAM Admin with prejudice and dismissing BAM Admin without prejudice (the “**Stipulation of Dismissal**”) on the latest of (a) four business days after the “Effective Date” as referred to in the Settlement Agreement between the Receiver, on the one hand, and The Senior Health Insurance Company of Pennsylvania, *In Rehabilitation* and Fuzion Analytics, Inc., on the other (the “**Settlement Agreement**”); (b) BAM ADMIN’s execution of the letter, dated _____ regarding “Joint Instruction Pursuant to ALS Escrow Agreement; and (c) the letter regarding the “Notice of Release of Claim to Remaining Escrow Proceeds” from Senior Health Insurance Company of Pennsylvania *in Rehabilitation* and Beechwood Bermuda International Ltd. to the Mills, Potoczak & Company dated _____;

WHEREAS, the definitions on the Index of Terms annexed hereto as Exhibit A are incorporated into this General Release by reference;

Upon of filing of the duly executed Stipulation of Dismissal, the following General Release shall become effective (the date on which such filing occurs being referred to as the “**Release Effective Date**”):

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That

For good and valuable consideration, the receipt of which is hereby acknowledged, BAM Administrative Services, LLC (“**BAM Admin**”), does hereby waive, remise, release, forever discharge and covenant not to sue, to the fullest extent provided by law, each of Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Credit Management, L.P., Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., Platinum Partners Liquid Opportunity Master Fund L.P. (collectively, the “**Receivership Entities**”) and Melanie L. Cyganowski, as court-appointed receiver for the Receivership Entities, and their respective past, present and future parents, subsidiaries, affiliates, officers, directors, members, partners, limited partners, principals, employees, beneficiaries, agents, insurers,

attorneys, predecessors, successors, assigns, trustees, receivers, heirs and personal representatives (the “**PPCO Releasees**”), from and against any and all past, present and future causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all other liabilities, claims or demands whatsoever, at law or equity, whether based in contract, tort or otherwise, whether secured or unsecured, known or unknown, suspected or unsuspected, discovered or undiscovered, whether asserted or unasserted, whether in the form of debt or equity, whether or not accrued, that BAM Admin now has, ever had, or hereafter can, will or may have against any of the PPCO Releasees, from the beginning of the world through, and including, the Release Effective Date. Notwithstanding the foregoing, nothing in this Release is intended to, nor shall it, release or waive any of the rights, claims, causes of action, or defenses of BAM Administrative Services, LLC, in its capacity as agent under the NPA, PPMF Notes, MSA, Ratification Agreement, A&R MSA, Subsidiary Guaranty, March 2016 Subsidiary Guaranty, UCC-1s and Proofs of Claim .

This General Release may not be changed orally.

This General Release shall be interpreted, construed and enforced in accordance with the laws of the State of New York, without regards to conflicts of law principles.

[The remainder of this page is intentionally left blank.]

In Witness Whereof, RELEASOR has executed this General Release on June , 2020.

BAM ADMINISTRATIVE SERVICES,
LLC
Name:
Title:

EXHIBIT A**Index of Terms**

<u>Term</u>	<u>Definition</u>
ALS	ALS Capital Ventures LLC
ALS Escrow Agreement	February 17, 2017 Escrow Agreement by and among ALS and ALS Life Holdings LLC, Vida Longevity Fund, LP and Mills, Potoczak & Co.
A&R Delayed Draw Demand Note	“Amended and Restated Delayed Draw Demand Note” (as thereafter amended, restated, modified and/or supplemented from time to time), dated January 20, 2016, which amended and restated the Delayed Draw Demand Note in favor of SHIP
A&R MSA	Amended and Restated Master Security Agreement, dated March 21, 2016, entered into between PPMF and BAM Admin, as Agent
BAM Admin	BAM Administrative Services, LLC
Delayed Draw Demand Note	“Delayed Draw Demand Note,” dated December 23, 2015 (as thereafter amended, restated, modified and/or supplemented from time to time), issued in favor of SHIP, in the principal amount of up to \$15,500,000.00
Escrow Direction Letter	February 17, 2017 letter to BAM Admin from Credit Strategies LLC, a wholly owned subsidiary of PPMF and the managing and majority member of ALS, and Sellers which sets forth, among other things, the terms under which the funds being held pursuant to the Escrow Agreement in the amount of approximately \$6,365,409.11 will be released
March 2016 Subsidiary Guaranty	Subsidiary Guaranty dated March 21, 2016, executed by the PPMF MSA Subsidiaries, Platinum Partners Credit International LP and BAM Admin, as Agent
MSA	“Master Security Agreement,” dated December 23, 2015, executed by the PPMF MSA Subsidiaries and BAM Admin, as Agent
NPA	“Note Purchase Agreement,” dated as of March 21, 2016, executed by PPMF, as the “Company,” BAM Admin, as Agent for all “Purchasers from time to time a party [t]hereto,” and SHIP, BRe BCLIC Primary, BRe BCLIC Sub, BRe WNIC 2013 LTC Primary and BRe WNIC 2013 LTC Sub (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions)

PPCO Receiver	Melanie L. Cyganowski, in her capacity as (a) the court appointed receiver for each of (i) PPMF, (ii) Platinum Partners Credit Opportunities Fund (TE) LLC, (iii) Platinum Partners Credit Opportunities Fund LLC, (iv) Platinum Partners Credit Opportunities Fund International Ltd., (v) Platinum Partners Credit Opportunities Fund International (A) Ltd., (vi) Platinum Partners Credit Opportunity Fund (BL) LLC, (vii) Platinum Credit Management, L.P., (viii) Platinum Liquid Opportunity Management (NY) LLC, (ix) Platinum Partners Liquid Opportunity Fund (USA) L.P. and (x) Platinum Partners Liquid Opportunity Master Fund L.P.
PPCO Receivership Action	The action captioned <i>Securities & Exch. Comm'n v. Platinum Mgmt. (NY) LLC, et al.</i> , 16 Civ. 06848 (BMC), in which each of the Receivership Entities was placed in receivership by the Receivership Court
PPCO Receivership Court	United States District Court for the Eastern District of New York
PPMF	Platinum Partners Credit Opportunities Master Fund LP
PPMF MSA Subsidiaries	ALS Capital Ventures LLC, Atlantic Growth Capital LLC, Alpha Credit Resources, LLC, Bakken Development Opportunities I LLC, Beta Credit Services LLC, Burr Capital LLC, Centurion Structured Growth LLC, Credit Funding LLC, Credit Mining LLC, Credit International LLC, Credit Strategies LLC, Diamed Holdings LLC, Financial Ventures LLC, Hamilton Capital LLC, JH Funding LLC, Lakewood Group LLC, L2 Leasing Holdings LLC, Maximilian Investors, LLC, Maximilian Resources LLC, Northrock Financial LLC, Pea and Eigh Company LLC, Photon Management LLC, Platinum Long Term Growth VIII LLC, Platinum Partners Credit International, LLC, Principal Growth Strategies LLC, Pro Master Group LLC, Pro Player Funding LLC, PTLG VIII Iron Ore LLC, Re Credit LLC, Regis Capital LLC, RJ Funding LLC, Secure Holdings LLC, Voltage Energy Holdings LLC, West Ventures LLC and Wintercrest Advisors LLC

PPMF Notes	<p>Collectively:</p> <ul style="list-style-type: none"> (i) The Second Amended and Restated Secured Term Note, dated March 21, 2016, in favor of SHIP in the original amount of \$42,963,949.04, which was amended and restated and was given in substitution for but not in satisfaction of the A&R Delayed Draw Demand Note; (ii) The Secured Term Note dated March 21, 2016, in favor of BRe BCLIC Primary, in the original principal amount of \$10,000,000; (iii) The Secured Term Note dated March 21, 2016, in favor of BRe BCLIC Sub, in the original principal amount of \$500,000; (iv) The Secured Term Note dated March 21, 2016, in favor of BRe WNIC 2013 LTC Primary, in the original principal amount of \$14,989,677.78; and (v) The Secured Term Note dated March 21, 2016, in favor of BRe WNIC 2013 LTC Sub, in the original principal amount of \$700,000
Proofs of Claim	Proofs of claim, filed by the SHIP Parties and BAM Admin, as Agent, in the PPCO Receivership Action and identified on Schedule 1 to the Settlement Agreement
Ratification Agreement	“Reaffirmation and Ratification Agreement,” dated January 20, 2016, entered into between PPMF, the PPMF MSA Subsidiaries and BAM Admin, as Agent
Receivership Entities	PPMF, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Credit Management, L.P., Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P. and Platinum Partners Liquid Opportunity Master Fund L.P.
Settlement Agreement	Settlement Agreement, entered into on July 1, 2020 by and among, the PPCO Receiver and the SHIP Parties
SHIP	Senior Health Insurance Company of Pennsylvania
SHIP Parties	Senior Health Insurance Company of Pennsylvania, <i>In Rehabilitation</i> , and Fuzion Analytics, LLC
Subsidiary Guaranty	“Subsidiary Guaranty” dated December 23, 2015, executed by the PPMF MSA Subsidiaries and BAM Admin

UCC-1s	UCC Financing Statements filed by BAM Admin, as Agent, prior to the commencement of the PPCO Receivership Action, with the Delaware Secretary of State, or otherwise, asserting a security interest in all, or substantially all, assets of PPMF and all or certain PPMF MSA Subsidiaries
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WHEREAS, Melanie L. Cyganowski, as receiver for Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., and Platinum Partners Credit Opportunities Fund (BL) LLC (the “**Receiver**”) commenced an action against Moshe M. Feuer a/k/a Mark Feuer, and Scott A. Taylor, Beechwood Bermuda International Ltd., Beechwood Bermuda Ltd., B Asset Manager LP, B Asset Manager II, LP, Beechwood Re Investments, LLC, Beechwood Re Holdings, Inc., BAM Administrative Services LLC (“**BAM ADMIN**”), and Beechwood Re (In Official Liquidation) (collectively, “**Beechwood Parties**”) in the proceeding entitled *Cyganowski v. Beechwood Re Ltd, et al.*, Case No. 18-cv-12018, in the United States District Court for the Southern District of New York (the “**Cyganowski Action**”);

WHEREAS, the Receiver has undertaken to file a stipulation of dismissal in the Cyganowski Action dismissing all Beechwood Parties except BAM Admin with prejudice and dismissing BAM Admin without prejudice (the “**Stipulation of Dismissal**”) upon the latest of (a) four business days after the “Effective Date” as defined in paragraph 3(a) the Settlement Agreement between the Receiver, on the one hand, and The Senior Health Insurance Company of Pennsylvania, *In Rehabilitation* and Fuzion Analytics, Inc., on the other (the “**Settlement Agreement**”); (b) BAM ADMIN’s execution of the letter, dated _____ regarding “Joint Instruction Pursuant to ALS Escrow Agreement; and (c) the letter regarding the “Notice of Release of Claim to Remaining Escrow Proceeds” from Senior Health Insurance Company of Pennsylvania in Rehabilitation and Beechwood Bermuda International Ltd. to the Mills, Potoczak & Company dated _____;

WHEREAS, the definitions set forth in the “Index of Terms” attached hereto as Exhibit A are incorporated into this General Release by reference;

Upon of filing of the duly executed Stipulation of Dismissal, the below General Release by all Beechwood Releasors shall become effective (the date on which such filing occurs being referred to as the “**Release Effective Date**”);

GENERAL RELEASE

To all to whom these Presents shall come or may Concern, Know That

For good and valuable consideration, the receipt of which is hereby acknowledged, Beechwood Capital Group, LLC, B Asset Manager LP, B Asset Manager II, LP, Beechwood Re Investments, LLC, Beechwood Re Holdings, Inc., Beechwood Re (In Official Liquidation), MSD Administrative Services LLC, Beechwood Bermuda International Limited, Beechwood Bermuda Ltd., Moshe M. Feuer a/k/a Mark Feuer, and Scott A. Taylor, for themselves and—to the fullest extent of their authority—their respective parents, subsidiaries, affiliates, officers, directors, members, partners, limited partners, principals, employees, beneficiaries, agents, insurers, attorneys, predecessors, successors, assigns, trustees, receivers, heirs, personal representatives, and anyone that may claim by or through any of them (the “**Beechwood Releasors**”), do hereby waive, remise, release, forever discharge and covenant not to sue, to the fullest extent provided by law, each of Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit

Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Credit Management, L.P., Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., Platinum Partners Liquid Opportunity Master Fund L.P. (collectively, the “**Receivership Entities**”) and Melanie L. Cyganowski, as court-appointed receiver for the Receivership Entities, and their respective past, present and future parents, subsidiaries, affiliates, officers, directors, members, partners, limited partners, principals, employees, beneficiaries, agents, insurers, attorneys, predecessors, successors, assigns, trustees, receivers, heirs and personal representatives (the “**PPCO Releasees**”), from and against any and all past, present and future causes of action, suits, debts, sums of money, accounts, covenants, contracts, controversies, losses, liabilities, responsibilities, damages, penalties, judgments, extents, executions, claims, cross-claims, counterclaims, rights of contribution or indemnification, and all other liabilities, claims or demands whatsoever, at law or equity, whether based in contract, tort or otherwise, whether secured or unsecured, known or unknown, suspected or unsuspected, discovered or undiscovered, whether asserted or unasserted, whether in the form of debt or equity, whether or not accrued, that any of the Beechwood Releasors now have, ever had, or hereafter can, will or may have against any of the PPCO Releasees, from the beginning of the world through, and including, the Release Effective Date. Notwithstanding the foregoing, nothing in this Release is intended to, nor shall it, release or waive any rights, claims, causes of action, or defenses of BAM Administrative Services, LLC against any of the PPCO Releasees.

This General Release may not be changed orally.

This General Release shall be interpreted, construed and enforced in accordance with the laws of the State of New York, without regards to conflicts of law principles.

[The remainder of this page is intentionally left blank.]

In Witness Whereof, RELEASOR has executed this General Release on June , 2020.

BEECHWOOD CAPITAL GROUP, LLC

Name:

Title:

B ASSET MANAGER, LP

Name:

Title:

B ASSET MANAGER II, LP

Name:

Title:

BEECHWOOD RE INVESTMENTS, LLC

Name:

Title:

BEECHWOOD RE HOLDINGS, INC.

Name:

Title:

BEECHWOOD RE (In Official Liquidation)

Name:

Title:

MSD ADMINISTRATIVE SERVICES,
LLC

Name:

Title:

BEECHWOOD BERMUDA
INTERNATIONAL LTD.

Name:

Title:

BEECHWOOD BERMUDA LTD.

Name:

Title:

MOSHE M. FEUER A/K/A MARK FEUER

SCOTT A. TAYLOR

EXHIBIT A**Index of Terms**

<u>Term</u>	<u>Definition</u>
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A&R MSA	Amended and Restated Master Security Agreement, dated March 21, 2016, entered into between PPMF and BAM Admin, as Agent
BAM Admin	BAM Administrative Services, LLC
Delayed Draw Demand Note	“Delayed Draw Demand Note,” dated December 23, 2015 (as thereafter amended, restated, modified and/or supplemented from time to time), issued in favor of SHIP, in the principal amount of up to \$15,500,000.00
Escrow Direction Letter	February 17, 2017 letter to BAM Admin from Credit Strategies LLC, a wholly owned subsidiary of PPMF and the managing and majority member of ALS, and Sellers which sets forth, among other things, the terms under which the funds being held pursuant to the Escrow Agreement in the amount of approximately \$6,365,409.11 will be released
March 2016 Subsidiary Guaranty	Subsidiary Guaranty dated March 21, 2016, executed by the PPMF MSA Subsidiaries, Platinum Partners Credit International LP and BAM Admin, as Agent
MSA	“Master Security Agreement,” dated December 23, 2015, executed by the PPMF MSA Subsidiaries and BAM Admin, as Agent
NPA	“Note Purchase Agreement,” dated as of March 21, 2016, executed by PPMF, as the “Company,” BAM Admin, as Agent for all “Purchasers from time to time a party [t]hereto,” and SHIP, BRe BCLIC Primary, BRe BCLIC Sub, BRe WNIC 2013 LTC Primary and BRe WNIC 2013 LTC Sub (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its provisions)

PPCO Receiver	Melanie L. Cyganowski, in her capacity as (a) the court appointed receiver for each of (i) PPMF, (ii) Platinum Partners Credit Opportunities Fund (TE) LLC, (iii) Platinum Partners Credit Opportunities Fund LLC, (iv) Platinum Partners Credit Opportunities Fund International Ltd., (v) Platinum Partners Credit Opportunities Fund International (A) Ltd., (vi) Platinum Partners Credit Opportunity Fund (BL) LLC, (vii) Platinum Credit Management, L.P., (viii) Platinum Liquid Opportunity Management (NY) LLC, (ix) Platinum Partners Liquid Opportunity Fund (USA) L.P. and (x) Platinum Partners Liquid Opportunity Master Fund L.P.
PPCO Receivership Action	The action captioned <i>Securities & Exch. Comm'n v. Platinum Mgmt. (NY) LLC, et al.</i> , 16 Civ. 06848 (BMC), in which each of the Receivership Entities was placed in receivership by the Receivership Court
PPCO Receivership Court	United States District Court for the Eastern District of New York
PPMF	Platinum Partners Credit Opportunities Master Fund LP
PPMF MSA Subsidiaries	ALS Capital Ventures LLC, Atlantic Growth Capital LLC, Alpha Credit Resources, LLC, Bakken Development Opportunities I LLC, Beta Credit Services LLC, Burr Capital LLC, Centurion Structured Growth LLC, Credit Funding LLC, Credit Mining LLC, Credit International LLC, Credit Strategies LLC, Diamed Holdings LLC, Financial Ventures LLC, Hamilton Capital LLC, JH Funding LLC, Lakewood Group LLC, L2 Leasing Holdings LLC, Maximilian Investors, LLC, Maximilian Resources LLC, Northrock Financial LLC, Pea and Eigh Company LLC, Photon Management LLC, Platinum Long Term Growth VIII LLC, Platinum Partners Credit International, LLC, Principal Growth Strategies LLC, Pro Master Group LLC, Pro Player Funding LLC, PTLG VIII Iron Ore LLC, Re Credit LLC, Regis Capital LLC, RJ Funding LLC, Secure Holdings LLC, Voltage Energy Holdings LLC, West Ventures LLC and Wintercrest Advisors LLC

PPMF Notes	<p>Collectively:</p> <ul style="list-style-type: none"> (i) The Second Amended and Restated Secured Term Note, dated March 21, 2016, in favor of SHIP in the original amount of \$42,963,949.04, which was amended and restated and was given in substitution for but not in satisfaction of the A&R Delayed Draw Demand Note; (ii) The Secured Term Note dated March 21, 2016, in favor of BRe BCLIC Primary, in the original principal amount of \$10,000,000; (iii) The Secured Term Note dated March 21, 2016, in favor of BRe BCLIC Sub, in the original principal amount of \$500,000; (iv) The Secured Term Note dated March 21, 2016, in favor of BRe WNIC 2013 LTC Primary, in the original principal amount of \$14,989,677.78; and (v) The Secured Term Note dated March 21, 2016, in favor of BRe WNIC 2013 LTC Sub, in the original principal amount of \$700,000
Proofs of Claim	Proofs of claim, filed by the SHIP Parties and BAM Admin, as Agent, in the PPCO Receivership Action and identified on Schedule 1 to the Settlement Agreement
Ratification Agreement	“Reaffirmation and Ratification Agreement,” dated January 20, 2016, entered into between PPMF, the PPMF MSA Subsidiaries and BAM Admin, as Agent
Receivership Entities	PPMF, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., Platinum Partners Credit Opportunity Fund (BL) LLC, Platinum Credit Management, L.P., Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P. and Platinum Partners Liquid Opportunity Master Fund L.P.
Settlement Agreement	Settlement Agreement, entered into on July 1, 2020 by and among, the PPCO Receiver and the SHIP Parties
SHIP	Senior Health Insurance Company of Pennsylvania
SHIP Parties	Senior Health Insurance Company of Pennsylvania, <i>In Rehabilitation</i> , and Fuzion Analytics, LLC
Subsidiary Guaranty	“Subsidiary Guaranty” dated December 23, 2015, executed by the PPMF MSA Subsidiaries and BAM Admin

UCC-1s	UCC Financing Statements filed by BAM Admin, as Agent, prior to the commencement of the PPCO Receivership Action, with the Delaware Secretary of State, or otherwise, asserting a security interest in all, or substantially all, assets of PPMF and all or certain PPMF MSA Subsidiaries
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EXHIBIT C

July __, 2020

VIA ELECTRONIC MAIL ONLY

Mills, Potoczak & Company
Attn: Christina Shook
27600 Chagrin Boulevard, Suite 200
Cleveland, Ohio 44122
cshook@mpccpa.com

Re: Notice of Release of Claim to Remaining Escrow Proceeds

Dear Ms. Shook:

Reference is made to:

(i) the February 17, 2017 Escrow Agreement (the “**ALS Escrow Agreement**”) by and among ALS Capital Ventures LLC (“**ALS**”) and ALS Life Holdings LLC (“**ALS Life**,” and together with ALS, “**Sellers**”), Vida Longevity Fund, LP (“**Purchaser**”) and Mills, Potoczak & Co. (“**ALS Escrow Agent**”) pursuant to which proceeds from the sale of certain life insurance policies sold by Sellers to Purchaser are being held in escrow by ALS Escrow Agent; and¹

(ii) the February 17, 2017 letter (the “**Escrow Direction Letter**”) from Credit Strategies LLC (“**Credit Strategies**”) and Sellers to BAM Administrative Services LLC (“**BAM Admin**”) setting forth, among other things, the terms under which the funds being held pursuant to the ALS Escrow Agreement in the amount of approximately \$6,365,409.11 (the “**Remaining Escrow Proceeds**”) will be released.

Pursuant to paragraph I.5(a)(iv) of the ALS Escrow Agreement, the Remaining Escrow Proceeds are to be released pursuant to the terms of paragraph I.5(d) thereof. In turn, paragraph I.5(d) requires, *inter alia*, BAM Admin and Melanie L. Cyganowski, in her capacity as the court appointed receiver (the “**Receiver**”) for Platinum Partners Credit Opportunities Master Fund LP to use commercially reasonable efforts to agree in writing upon the recipient(s) and share of the Remaining Escrow Proceeds (the “**Joint Instruction**”), provided that BAM Admin obtains the consent of the holders of a majority of the outstanding principal amount of the Notes.

Pursuant to the Escrow Direction Letter, Sellers and Credit Strategies separately agreed that the Remaining Escrow Proceeds would remain with the ALS Escrow Agent subject to the ALS Escrow Agreement until such time as Sellers, Credit Strategies, Senior Health Insurance Company of Pennsylvania (“**SHIP**”), Bankers Conseco Life Insurance Company (“**BCLIC**”), Washington National Insurance Company (“**WNIC**”) and Beechwood Bermuda International Ltd. (for its BBIL-Custody Account) (“**BBIL**”) agree in writing to the disbursement and

¹ All capitalized terms not otherwise defined herein have the meaning ascribed to such term in the ALS Escrow Agreement.

application of the Remaining Escrow Proceeds pursuant to paragraph I.5 of the Escrow Agreement.

Please be advised that on January 29, 2020, following the application by the Insurance Commissioner of the Commonwealth of Pennsylvania, the Commonwealth Court of Pennsylvania issued an Order of Rehabilitation (the “Rehabilitation Order”) in the action entitled In Re Senior Health Insurance Company of Pennsylvania, in Rehabilitation, No. 1 SHP 2020 (the “SHIP Rehabilitation Proceeding”) placing SHIP into rehabilitation and appointing the Insurance Commissioner of the Commonwealth of Pennsylvania as Rehabilitator (the “SHIP Rehabilitator”) and vesting her with all of the powers and authority of a rehabilitator as set forth in Section 516 of the Insurance Department Act of 1921, 40 P.S. §221.15 et seq. (the “Rehabilitation Statute”).

In exercising the authority vested in her by the Rehabilitation Statute and Order, on January 29, 2020, the SHIP Rehabilitator appointed Patrick H. Cantilo as Special Deputy Rehabilitator (“SDR”) of SHIP, authorizing him to exercise the SHIP Rehabilitator’s authority.

On or about June ___, 2020, SHIP, among others, entered into a Settlement Agreement with, among others, the Receiver and Platinum Partners Credit Opportunities Master Fund, L.P., which provides that SHIP will release, and will release or cause BBIL to release, any and all right, title, claim and interest that SHIP and/or BBIL asserts to the Remaining Escrow Proceeds. Accordingly, SHIP and BBIL hereby release any and all right, title and interest that they previously asserted to the Remaining Escrow Proceeds, and consent to the distribution of the Remaining Escrow Proceeds in accordance with the Receiver’s instructions.

This letter does not constitute the Joint Instruction referenced above but is being sent to you as Escrow Agent in an abundance of caution to make clear that SHIP and BBIL, in their respective capacity as lenders of record of certain of the outstanding principal amounts of the Notes (as defined in the ALS Escrow Agreement), each approve of the disbursement of the Remaining Escrow Proceeds as requested in the Joint Instruction.

Very truly yours,

Senior Health Insurance Company of Pennsylvania,
In Rehabilitation

By: _____

Name: Patrick Cantilo

Title: Special Deputy Rehabilitator

Beechwood Bermuda International Limited

By: _____

Name:

Title:

cc: Erik Weinick, Esq.
BAM Administrative Services LLC, c/o Mark Harris, Esq.
Bankers Consec Life Insurance Company, c/o Adam Kaiser, Esq.
Washington National Insurance Company, c/o Adam Kaiser, Esq.
Melanie. L. Cyganowski, Esq., as Receiver
Vida Longevity Fund, LP, attn.: Dan Young

EXHIBIT D

BAM ADMINISTRATIVE SERVICES LLC

c/o MSD Administrative Services
105 Madison Avenue, 19th Floor
New York, NY 10016

MELANIE L. CYGANOWSKI

Solely in Her Capacity as Receiver for Platinum Partners Credit Opportunities Master Fund LP, *et al.*
United States District Court for the Eastern District of New York
(Civil Case No. 16-0148)

July 1, 2020

VIA ELECTRONIC MAIL ONLY

Mills, Potoczak & Company
Attn: William Potoczak
27600 Chagrin Boulevard, Suite 200
Cleveland, Ohio 44122
wpotoczak@mpccpa.com

Re: Joint Instruction Pursuant to ALS Escrow Agreement

Dear Mr. Potoczak:

Reference is made to:

(i) the February 17, 2017 Escrow Agreement (the “**ALS Escrow Agreement**”) by and among ALS Capital Ventures LLC (“**ALS**”) and ALS Life Holdings LLC (“**ALS Life**,” and together with ALS, “**Sellers**”), Vida Longevity Fund, LP (“**Purchaser**”) and Mills, Potoczak & Co. (“**ALS Escrow Agent**”) pursuant to which proceeds from the sale of certain life insurance policies sold by Sellers to Purchaser are being held in escrow by ALS Escrow Agent; and¹

(ii) the February 17, 2017 letter (the “**Escrow Direction Letter**”) from Credit Strategies LLC (“**Credit Strategies**”) and Sellers to BAM Administrative Services LLC (“**BAM Admin**”) setting forth, among other things, the terms under which the funds being held pursuant to the ALS Escrow Agreement in the amount of approximately \$6,365,409.11 (the “**Remaining Escrow Proceeds**”) will be released;

(iii) the letter dated on or about July 1, 2020 letter (the “**BCLIC/WNIC Escrow Release Letter**”) from Bankers Conseco Life Insurance Company (“**BCLIC**”) and Washington National Insurance Company (“**WNIC**”) to the ALS Escrow Agent re “Notice of Release of Claim to Remaining Escrow Proceeds,” in which BCLIC and WNIC advised the Escrow Agent that “on or about July 12, 2020, BCLIC and WNIC, among others, entered into a Settlement Agreement

¹ All capitalized terms not otherwise defined herein have the meaning ascribed to such term in the ALS Escrow Agreement.

with, among others, the Receiver and Platinum Partners Credit Opportunities Master Fund LP, which provides that BCLIC and WNIC release any and all right, title, claim and interest that they assert to the Remaining Escrow Proceeds”; and

(iv) the June ____, 2020 letter (the “**SHIP/BBIL Escrow Release Letter**”) from Senior Life Insurance Company of Pennsylvania (“**SHIP**”) and Beechwood Bermuda International Ltd. (for its BBIL-Custody Account) (“**BBIL**”) to the ALS Escrow Agent re “Notice of Release of Claim to Remaining Escrow Proceeds”), in which SHIP and BBIL advised the ALS Escrow Agent as follows: “Please be advised that on or about July 1, 2020, SHIP, among others, entered into a Settlement Agreement with, among others, the Receiver and Platinum Partners Credit Opportunities Master Fund LP, which provides that SHIP will release, and will release or cause BBIL to release, any and all right, title, claim and interest that SHIP or BBIL asserts to the Remaining Escrow Proceeds. Accordingly, SHIP and BBIL, as lenders of record, hereby release any and all right, title and interest that they previously asserted to the Remaining Escrow Proceeds, and consent to the distribution of the Remaining Escrow Proceeds in accordance with the Receiver’s instructions.”

Pursuant to paragraph I.5(a)(iv) of the ALS Escrow Agreement, the Remaining Escrow Proceeds are to be released in accordance with the terms of paragraph I.5(d) thereof. In turn, paragraph I.5(d) requires, *inter alia*, BAM Admin and Melanie L. Cyganowski, in her capacity as the court-appointed receiver (the “**Receiver**”) for Platinum Partners Credit Opportunities Master Fund LP to use commercially reasonable efforts to agree in writing upon the recipient(s) and share of the Remaining Escrow Proceeds (the “**Joint Instruction**”), provided that BAM Admin obtains the consent of the holders of a majority of the outstanding principal amount of certain notes referred to therein (the “**Notes**”). Please be advised that, in the Escrow Direction Letter, BAM Admin has obtained the consent of the holders of a majority of the outstanding principal amount of the Notes. Paragraph I.5(d) further provides that “BAM [Admin] agrees that, upon execution of the Joint Instruction, it will promptly deliver the Joint Instruction to the Escrow Agent to release the remainder of the Escrow Property in accordance with paragraph I.5(a)(iv) above.”

In the Escrow Direction Letter, Sellers and Credit Strategies agreed that the Remaining Escrow Proceeds would remain with the ALS Escrow Agent subject to the ALS Escrow Agreement until such time as Sellers, Credit Strategies, SHIP, BCLIC, WNIC and BBIL agree in writing to the disbursement and application of the Remaining Escrow Proceeds pursuant to paragraph I.5 of the Escrow Agreement. As a result of the BCLIC/WNIC Escrow Release Letter, the SHIP/BBIL Escrow Release Letter and this letter, which has been executed by, among other parties, Sellers and Credit Strategies, that condition has now been satisfied, and Credit Strategies, BCLIC, WNIC, SHIP and BBIL have consented to the distribution of the Remaining Escrow Proceeds in accordance with the Receiver’s instructions.

Accordingly, BAM Admin and the Receiver hereby instruct that the Remaining Escrow Proceeds be paid as follows:

ALS Capital Ventures LLC
230 Park Avenue 3rd Floor West, Suite 323

New York, NY 10169
Acct# 7047937811
ABA# 021407912
Swift# 'NFBKUS33
Capital One Bank
Bank Address: 3090 Ocean Avenue, Brooklyn, NY
11235.

Please note that the amounts referred to in paragraph I.5(a)(i)-(iii) of the Escrow Agreement have been paid in full and, accordingly, the Remaining Escrow Proceeds are properly payable to the Receiver as directed herein.

Very truly yours,

BAM ADMINISTRATIVE SERVICES LLC

By: _____
Name:
Title:

PLATINUM PARTNERS CREDIT
OPPORTUNITIES MASTER FUND LP

By: _____
Melanie L. Cyganowski, as Receiver

CREDIT STRATEGIES LLC

By: Platinum Partners Credit Opportunities Master
Fund LP, its sole member

By: _____
Melanie L. Cyganowski, as Receiver

ALS CAPITAL VENTURES LLC

By: Credit Strategies, LLC, its Managing Member

By: Platinum Partners Credit Opportunities Master
Fund LP, its sole member

By: _____
Melanie L. Cyganowski, as Receiver

ALS LIFE HOLDINGS LLC

By: ALS Capital Ventures LLC, its Managing Member

By: Credit Strategies, LLC, its Managing Member

By: Platinum Partners Credit Opportunities Master
Fund LP, its sole member

By: _____
Melanie L. Cyganowski, as Receiver

cc: Erik Weinick, Esq.
Senior Health Insurance Company of Pennsylvania, c/o Aidan McCormack, Esq.
Beechwood Bermuda Investment Ltd., c/o Mark Harris, Esq.
Bankers Consec Life Insurance Company, c/o Adam Kaiser, Esq.
Washington National Insurance Company, c/o Adam Kaiser, Esq.
Vida Longevity Fund, LP, attn.: Dan Young

EXHIBIT E

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

IN RE PLATINUM-BEECHWOOD LITIGATION,	:	X	
	:		Case No. 1:18-cv-06658 (JSR)
	:		
	:	X	
MELANIE L. CYGANOWSKI, AS RECEIVER FOR	:		
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:		
MASTER FUND LP, PLATINUM PARTNERS	:		
CREDIT OPPORTUNITIES FUND (TE) LLC,	:		
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:		
FUND LLC, PLATINUM PARTNERS CREDIT	:		Case No. 1:18-cv-12018 (JSR)
OPPORTUNITIES FUND INTERNATIONAL LTD.,	:		
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:		
FUND INTERNATIONAL (A) LTD., and PLATINUM	:		
PARTNERS CREDIT OPPORTUNITIES FUND (BL)	:		
LLC,	:		
	:		
Plaintiff,	:		
	:		
v.	:		
	:		
BEECHWOOD RE LTD., <i>et al.</i> ,	:		
	:		
	:		
Defendants.	:	X	

STIPULATION AND ORDER OF VOLUNTARY DISMISSAL

IT IS HEREBY STIPULATED AND AGREED, pursuant to Rule 41(a)(1)(B) of the Federal Rules of Civil Procedure, by and between the undersigned counsel for plaintiff Melanie L. Cyganowski, as receiver for Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., and Platinum Partners Credit Opportunities Fund (BL) LLC (the “**Receiver**”), and defendants Moshe M. Feuer a/k/a Mark Feuer, and Scott A. Taylor, Beechwood Bermuda International Ltd., Beechwood Bermuda Ltd., B Asset Manager

LP, B Asset Manager II, LP, Beechwood Re Investments, LLC, Beechwood Re Holdings, Inc., BAM Administrative Services LLC (“**BAM ADMIN**”), and Beechwood Re (In Official Liquidation) (collectively, “**Beechwood Parties**”), that all claims asserted by the Receiver against Beechwood Parties in this action are voluntarily dismissed without costs or attorneys’ fees against any party at any time. The Receiver’s claims against all Beechwood Parties except against BAM ADMIN are dismissed with prejudice. The Receiver’s claims against BAM ADMIN are dismissed without prejudice. BAM ADMIN waives all costs and/or attorneys’ fees pursuant to Fed. R. Civ. P. 41(d) if any claims in this action are refiled.

Dated: New York, New York
_____, 2020

OTTERBOURG P.C.

By: _____
Erik B. Weinick

230 Park Avenue
New York, New York 10169
Telephone: (212) 661-9100
Email: eweinick@otterbourg.com

*Attorneys for Plaintiff
Melanie L. Cyganowski, as Receiver for
Platinum Partners Credit Opportunities
Master Fund LP, Platinum Partners Credit
Opportunities Fund (TE) LLC, Platinum
Partners Credit Opportunities Fund LLC,
Platinum Partners Credit Opportunities Fund
International Ltd., Platinum Partners Credit
Opportunities Fund International (A) Ltd.,
and Platinum Partners Credit Opportunities
Fund (BL) LLC*

LIPSIUS-BENHAIM LAW LLP

By: _____
Ira S. Lipsius

80-02 Kew Garden Road, Suite 1030
Kew Gardens, NY 11415
New York, New York 10020
Telephone: (212) 981-8440
Email: iral@lipsiuslaw.com

Attorneys for the Beechwood Parties

SO ORDERED:

Hon. Jed S. Rakoff, U.S.D.J.

EXHIBIT F

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

IN RE PLATINUM-BEECHWOOD LITIGATION,	:	X	
	:		Case No. 1:18-cv-06658 (JSR)
	:		
	:	X	
MELANIE L. CYGANOWSKI, AS RECEIVER FOR	:		
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:		
MASTER FUND LP, PLATINUM PARTNERS	:		
CREDIT OPPORTUNITIES FUND (TE) LLC,	:		
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:		
FUND LLC, PLATINUM PARTNERS CREDIT	:		Case No. 1:18-cv-12018 (JSR)
OPPORTUNITIES FUND INTERNATIONAL LTD.,	:		
PLATINUM PARTNERS CREDIT OPPORTUNITIES	:		
FUND INTERNATIONAL (A) LTD., and PLATINUM	:		
PARTNERS CREDIT OPPORTUNITIES FUND (BL)	:		
LLC,	:		
	:		
Plaintiff,	:		
	:		
v.	:		
	:		
BEECHWOOD RE LTD., <i>et al.</i> ,	:		
	:		
	:		
Defendants.	:	X	

STIPULATION AND ORDER OF VOLUNTARY DISMISSAL

IT IS HEREBY STIPULATED AND AGREED, pursuant to Rule 41(a)(1)(B) of the Federal Rules of Civil Procedure, by and between the undersigned counsel for plaintiff Melanie L. Cyganowski, as receiver for Platinum Partners Credit Opportunities Master Fund LP, Platinum Partners Credit Opportunities Fund (TE) LLC, Platinum Partners Credit Opportunities Fund LLC, Platinum Partners Credit Opportunities Fund International Ltd., Platinum Partners Credit Opportunities Fund International (A) Ltd., and Platinum Partners Credit Opportunities Fund (BL) LLC (the “*Receiver*”), and defendant Senior Health Insurance Company of Pennsylvania, in Receivership (“*SHIP*”), that all claims asserted by the Receiver against SHIP in

this action are voluntarily dismissed with prejudice and without costs or attorneys' fees against any party.

Dated: New York, New York
_____, 2020

OTTERBOURG P.C.

DLA PIPER LLP (US)

By: _____
Erik B. Weinick

By: _____
Aidan M. McCormack

230 Park Avenue
New York, New York 10169
Telephone: (212) 661-9100
Email: eweinick@otterbourg.com

1251 Avenue of the Americas
New York, New York 10020
Telephone: (212) 335-4500
Facsimile: (212) 335-4501
Email: aidan.mccormack@dlapiper.com

*Attorneys for Plaintiff
Melanie L. Cyganowski, as Receiver for
Platinum Partners Credit Opportunities
Master Fund LP, Platinum Partners Credit
Opportunities Fund (TE) LLC, Platinum
Partners Credit Opportunities Fund LLC,
Platinum Partners Credit Opportunities Fund
International Ltd., Platinum Partners Credit
Opportunities Fund International (A) Ltd.,
and Platinum Partners Credit Opportunities
Fund (BL) LLC*

*Attorneys for Defendant
Senior Health Insurance Company of
Pennsylvania, in Receivership*

SO ORDERED:

Hon. Jed S. Rakoff, U.S.D.J.

EXHIBIT C

Platinum Partners Credit Opportunities Master Fund LP

Note Identifier	Lender of Record (inclusive of participations) (actual name)	Account Ref	Participant (actual name)	Account Reference	9/30/2019			Participant Debt Amount (\$)	Participant Accrued Income Amount (\$)**	Participant Debt Percentage (%)	Lender of Record Actual Economic Principal Debt Amount (exclusive of participations) (\$)	Lender of Record Actual Economic Accrued Income Amount (exclusive of participations) (\$)**	Lender of Record Actual Debt Percentage (exclusive of participations) (%)	Notes
					Lender of Record Principal Debt Amount (inclusive of participations) (\$)	Lender of Record Accrued Interest Amount (inclusive of participations) (\$)*	Lender of Record Debt Percentage (inclusive of participations) (%)							
PPMF Note 1	Senior Health Insurance Company of Pennsylvania	SHIP B&M	Beechwood Bermuda International Ltd.	Custody Account	15,804,397.58	3,864,646.71	19.81%	2,599,215.12	677,978.95	3.26%	5,026,159.27	1,265,518.99	6.30%	*** Interest (a) + Accrued Interest (c)
			PBLA ULICO 2017					8,179,023.19	1,921,148.77	10.25%				21.425% 96.017%
PPMF Note 2	Bankers Conesco Life Insurance Co.		Bre BCLIC Primary		5,788,297.58	1,457,415.11	7.25%				5,788,297.58	1,457,415.11	7.25%	+ Accrued Interest (f)
PPMF Note 3	Bankers Conesco Life Insurance Co.		Bre BCLIC Sub		291,120.37	73,300.16	0.36%				291,120.37	73,300.16	0.36%	+ Accrued Interest (f)
PPMF Note 4	Washington National Insurance Co.		Bre WNIC LTC Primary		1,234,860.02	310,921.09	1.55%				1,234,860.02	310,921.09	1.55%	+ Accrued Interest (f)
PPMF Note 5	Washington National Insurance Co.		Bre WNIC LTC Sub		407,568.48	102,620.25	0.51%				407,568.48	102,620.25	0.51%	+ Accrued Interest (f)
PPMF Note 1	Senior Health Insurance Company of Pennsylvania	Bre SHIP			10,868,454.74	2,736,530.04	13.62%				10,868,454.74	2,736,530.04	13.62%	+ Accrued Interest (f)
PPMF Note 3	Senior Health Insurance Company of Pennsylvania	BBIL SHIP			682,189.85	171,766.18	0.85%				682,189.85	171,766.18	0.85%	+ Accrued Interest (f)
PPMF Note 5	Beechwood Bermuda International Ltd.	Custody Account			5,396,293.00	1,407,568.40	6.76%				5,396,293.00	1,407,568.40	6.76%	44.480%
PPMF Note 2	PBLA ULICO 2017				270,549.18	63,548.57	0.34%				270,549.18	63,548.57	0.34%	3.176%
	Beechwood Bermuda International Ltd.	Custody Account			1,370,509.63	357,483.56	1.72%				1,370,509.63	357,483.56	1.72%	11.297%
	PBLA ULICO 2017				68,712.03	16,139.58	0.09%				68,712.03	16,139.58	0.09%	0.807%
PPMF Note 4	BBIL ULICO 2014				1,530,543.58	397,883.98	1.92%				1,530,543.58	397,883.98	1.92%	
	Beechwood Bermuda International Ltd.	Custody Account			2,765,896.78	721,456.17	3.47%				2,765,896.78	721,456.17	3.47%	22.799%
PPMF Note 1	OMNIA Ltd				2,660,350.89	777,163.67	3.33%				2,660,350.89	777,163.67	3.33%	
PPMF Note 4	Principal Growth Strategies LLC *				30,650,512.27	5,951,657.98	38.41%				30,650,512.27	5,951,657.98	38.41%	Per \$36,779,775.07 Transferred 6/8/2016
Total					79,790,255.97	18,410,101.46	100.00%	10,778,238.31	2,599,127.72	13.51%	69,012,017.66	15,810,973.74	86.49%	
			BBIL Custody		12,131,914.52	3,164,487.08								
			PBLA ULICO 2017		8,518,284.40	2,000,836.92								

PPMF Note 1 - Secured Term Note, dated March 21, 2016, with a face amount of \$42,963,949.04, originally issued to SHIP

PPMF Note 2 - Secured Term Note, dated March 21, 2016, with a face amount of \$10,000,000, originally issued to Bre BCLIC Primary

PPMF Note 3 - Secured Term Note, dated March 21, 2016, with a face amount of \$500,000, originally issued to Bre BCLIC Sub

PPMF Note 4 - Secured Term Note, dated March 21, 2016, with a face amount of \$14,989,677.78, originally issued to Bre WNIC 2013 LTC Primary

PPMF Note 5 - Secured Term Note, dated March 21, 2016, with a face amount of \$700,000, originally issued to Bre WNIC 2013 LTC Sub

* Status of PPCO indebtedness attributed to Principal Growth Strategies LLC (PGS) above is uncertain based upon verbal representations by both initial Receiver of PPCO and counsel for PPVA liquidators that those PPCO debt amounts transferred to PGS are deemed extinguished.

EXHIBIT D

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
CREDIT STRATEGIES LLC

This Amended and Restated Limited Liability Company Agreement (this "Agreement") of CREDIT STRATEGIES LLC, a Delaware limited liability company (the "Company"), dated as of August 4, 2011, is adopted and entered into by Platinum Partners Credit Opportunities Master Fund LP (the "Member") as the sole member of the Company.

WHEREAS, the Company was formed as Centurion Credit Strategies LLC on June 16, 2010 as a limited liability company under the Delaware Limited Liability Company Act, 6 Del. C. § 18-101 et seq. (the "Act") by the filing of a certificate of formation (the "Certificate of Formation");

WHEREAS, Centurion Credit Strategies LLC filed a Certificate of Amendment of the Company with the Delaware Secretary of State on August 4, 2011 to amend its name to Credit Strategies LLC;

WHEREAS, the Member desires to effect certain amendments to the prior agreement dated as of June 16, 2010 (the "Prior Agreement") and to restate in one document the Prior Agreement as so amended; and

WHEREAS, this Agreement completely restates, amends and supersedes the Prior Agreement, and replaces and supersedes any and all existing side agreements and prior agreements relating to membership interests in the Company.

WHEREAS, the Member desires to enter into this Agreement to define formally and express the terms of such limited liability company and its rights and obligations with respect thereto; and

NOW, THEREFORE, the Member hereby enters into this Agreement pursuant to and in accordance with the Act, and agrees that the rights, duties and liabilities of the Member shall be as provided in the Act, except as otherwise provided herein as follows:

1. Name. The name of the Company formed hereby is Credit Strategies LLC.
2. Purpose. The Company is formed for the object and purpose of, and the nature of the business to be conducted and promoted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities necessary or incidental to the foregoing. The Company shall have the authority to take all actions necessary or convenient to accomplish its purposes and operate its business as described in this Section 2.
3. Member. The name and business address of the Member are:

<u>Name</u>	<u>Address</u>
Platinum Partners Credit Opportunities Master Fund LP	152 West 57th Street, 54th Floor New York, NY 10019

4. Management of the Company. The Member shall be the managing member of the Company (the “Managing Member”) and, in such capacity, shall manage the Company in accordance with the Act and this Agreement. The Managing Member shall have the sole power and authority to take any and all actions necessary or convenient to or for the furtherance of the purposes of the Company set forth in this Agreement. There shall not be a “manager” (within the meaning of the Act) of the Company. The Managing Member may appoint individuals as officers or agents with such titles as it may elect to act on behalf of the Company with such power and authority as the Managing Member may delegate to any such persons.

5. Capital Contribution. The Member has made a capital contribution to the Company in the amount of \$100. The Member is not required to make any additional capital contributions to the Company.

6. Tax Matters. The Member and the Company intend that the Company be treated as a partnership for all income tax purposes and will file such necessary and appropriate forms in furtherance thereof.

7. Assignments. The Member may assign in whole or in part its limited liability company interest.

8. Resignation. The Member may resign from the Company at any time.

9. Admission of Additional Members. One or more additional members of the Company may be admitted to the Company with the consent of the Member. Prior to the admission of any such additional members of the Company, the Member shall amend this Agreement to make such changes as the Member shall determine to reflect the fact that the Company shall have more than one member and each additional member shall execute and deliver a counterpart of this Agreement, as amended.

10. Liability of Member. The Member shall not have any liability for the obligations or liabilities of the Company except to the extent provided in the Act.

11. Indemnification.

(a) The Company shall indemnify any person (each, an “Indemnitee”) who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding brought by or against the Company or otherwise, whether civil, criminal, administrative or investigative, including, without limitation, any action by or in the right of the Company to procure a judgment in its favor, by reason of the fact that such Indemnitee is or was a Member or an officer or employee of the Company, or at the relevant time, being or having been such a Member or officer or employee, that such Indemnitee is or was serving at the request

of the Company as a partner, director, officer or trustee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against all expenses (including attorneys' fees and disbursements), judgments, fines and amounts paid in settlement, actually and reasonably incurred by such Indemnitee in connection with such action, suit or proceeding. Notwithstanding the foregoing, no indemnification shall be provided to or on behalf of any Indemnitee if a judgment or other final adjudication adverse to such Indemnitee establishes that such Indemnitee's acts were fraudulent, grossly negligent or the result of willful malfeasance and, in each case, were material to the cause of action so adjudicated.

(b) The Company may, in the discretion of the Managing Member, pay expenses incurred by any Indemnitee in defending any action, suit or proceeding described in Section 11(a) in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Indemnitee to repay such advance if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified by the Company pursuant to this Section 11.

(c) The indemnification provided by this Section 11 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement, determination of the Managing Member or otherwise. The rights to indemnification and reimbursement or advancement of expenses provided by, or granted pursuant to, this Section 11 shall continue as to an Indemnitee who has ceased to be a Member, or an officer or employee of the Company (or other person indemnified hereunder) and shall inure to the benefit of the executors, administrators, legatees and distributees of such person.

12. Dissolution. The Company shall dissolve, and its affairs shall be wound up upon the first to occur of the following: (a) the written consent of the Member, (b) the bankruptcy of the Member or the occurrence of any other event which terminates the continued membership of the Member in the Company, including the Member's resignation pursuant to Section 8 above, or (c) the entry of a decree of judicial dissolution under Section 18-802 of the Act.

13. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED UNDER, THE LAWS OF THE STATE OF DELAWARE, ALL RIGHTS AND REMEDIES BEING GOVERNED BY SAID LAWS.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Limited Liability Company Agreement as of the date first above written.

MEMBER:

Platinum Partners Credit Opportunities Master Fund LP

By: Platinum Credit Holdings LLC, its General
Partner

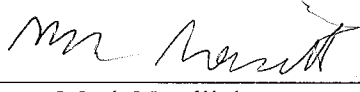
By: 
Mark Nordlicht

EXHIBIT E

ALS CAPITAL VENTURES LLC

OPERATING AGREEMENT

This operating agreement ("Agreement") of ALS Capital Ventures LLC, a Delaware limited liability company (the "Company") is entered into effective as of the 15th day of November, 2012, by and among the parties whose names are set forth as Members on Exhibit "A" attached hereto.

BACKGROUND:

The parties hereto have caused the Company to be formed as a limited liability company and desire to enter into this Agreement to set forth their respective rights, duties and obligations with respect thereto.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINED TERMS; OPERATION OF COMPANY

Section 1.01 **Definitions.** Within the context of this Agreement, the following terms shall have the following meanings:

"Act" means the Delaware Limited Liability Company Act.

"Adjusted Capital Account" means a Member's Capital Account, adjusted as follows: (a) any deficit balance in a Member's Capital Account shall be reduced by any amount that the Member is obligated to restore to the Company, or any amount the Member is treated as obligated to restore to the Company under Regulation § 1.704-1(b)(2)(ii)(c), Regulation § 1.704-2(g) and Regulation § 1.704-2(i)(5); and (b) a Member's Capital Account shall be adjusted for items specified in subsections (4), (5), and (6) of Regulation § 1.704-1(b)(2)(ii)(d).

"Agreement" means this limited liability company operating agreement, as the same may be amended from time to time.

"Book Value" means the adjusted basis of the Company's property for federal income tax purposes, with the adjustments provided in accordance with Section 2.04(d) of this Agreement.

"Capital Account" means the account established and maintained for each Member in accordance with Section 2.04 of this Agreement.

“Capital Contribution” means the amount of money and the fair market value of any property contributed to the Company by a Member (net of any liabilities to which such property is subject or that are assumed by the Company in connection with such contribution). If any Interest is transferred in accordance with this Agreement, the transferee shall succeed to the Capital Contributions of the transferor to the extent they relate to the transferred Interest.

“Certificate” means the certificate of formation for the Company, and any amendments thereto.

“Code” means the Internal Revenue Code of 1986, as amended.

“Company” means the limited liability company formed and operated pursuant to the terms of this Agreement.

“Company Minimum Gain” has the same meaning as “partnership minimum gain” set forth in Regulation §1.704-2(b)(2) and 1.704-2(d).

“Depreciation” means the amount determined for each Year or other period as an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to any Company property for such Year or other period, except that, if the Book Value of any property differs from its adjusted tax basis for federal income tax purposes at the beginning of such Year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis of a property at the beginning of a Year is zero, Depreciation shall be determined for such property with reference to Book Value using any reasonable method selected by the Manager.

“Indemnified Party” means any Manager and any officer, director, shareholder, partner, member, manager or agent of a Manager.

“Interest” means an ownership interest in the Company, including all of the rights and obligations in connection therewith under this Agreement and the Act.

“Manager” means the Person designated as manager of the Company in accordance with Section 5.01 of this Agreement.

“Members” means the Persons designated as members on Exhibit “A” attached to this Agreement, and any Person subsequently admitted as a member in accordance with the terms of this Agreement.

“Member Nonrecourse Debt” has the same meaning as “partner nonrecourse debt” as set forth in Regulation §1.704-2(b)(4).

“Member Nonrecourse Debt Minimum Gain” has the same meaning as “partner nonrecourse debt minimum gain” as set forth in Regulation §1.704-2(i)(3).

“Member Nonrecourse Deductions” has the same meaning as “partner nonrecourse deductions” as set forth in Regulation §1.704-2(i)(2).

“Net Distributable Proceeds” means gross cash or property received by the Company from all sources, increased by reductions in Reserves, and reduced by the portion used (i) to pay Company expenses, including debt service, (ii) to make investments and capital expenditures, and (iii) to fund Reserves.

“Nonrecourse Deductions” has the meaning set forth in Regulation §1.704-2(b)(1).

“Percentage Interest” means the percentage determined in accordance with Section 2.04 of this Agreement.

“Person” means any individual or any partnership, corporation, estate, trust, limited liability company or other legal entity.

“Preferred Return” with respect to a Capital Contribution means beginning from the date of such Capital Contribution until the date of distribution an amount equal to a such Capital Contribution multiplied by twelve and one-half percent (12.5%) per annum, which to the extent not paid shall accrue and compound.

“Profits” and **“Losses”** mean, for each Year or other period, an amount equal to the Company’s taxable income or loss for such Year or period, determined in accordance with §703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to §703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income that is exempt from federal income tax and not otherwise taken into account in computing Profits and Losses shall be added to such taxable income or loss.

(b) Any expenditures described in §705(a)(2)(B) of the Code or treated as §705(a)(2)(B) expenditures pursuant to Regulation §1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits and Losses shall be subtracted from such taxable income or loss.

(c) If the Book Value property is adjusted pursuant to Section 2.04(d)(ii) of this Agreement, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such property for purposes of computing Profits or Losses.

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by

reference to the Book Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Book Value.

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Year or other period as determined in accordance with this Agreement.

(f) To the extent adjustment to the adjusted tax basis of any Company asset pursuant to §734(b) or §743(b) of the Code is required, pursuant to Regulations §1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such section of the Regulations.

(g) Items of income, gain, loss or deduction allocated pursuant to Section 4.02 shall be excluded from Profits and Losses.

“Public Offering” shall mean an underwritten public offering and sale of Units or any securities issued with respect to, or in exchange for, Units, in each case pursuant to an effective registration statement under the Securities Act; provided, that a Public Offering shall not include an offering made in connection with (i) a business acquisition or combination pursuant to a registration statement on Form S-4 or any similar form or (ii) an employee benefit plan pursuant to a registration statement on Form S-8 or any similar form.

“Regulations” means the income tax regulations promulgated under the Code, as such regulations may be amended from time to time.

“Required Interest” means Members who hold more than [80]% of the Percentage Interests entitled to vote or consent on any matter.

“Reserves” means amounts set aside to pay future costs or expenses that are anticipated to exceed cash available to pay such costs or expenses when due, as determined in the sole discretion of the Manager.

“Transfer” means to sell, assign, exchange, pledge, or otherwise dispose of or encumber all or any portion of the specified property.

“Unit” means ownership interest in the Company, including all rights and obligations in connection therewith under this Agreement and the Act.

“Unpaid Preferred Return” means a Member’s Preferred Return earned to the date for which the Unpaid Preferred Return is being determined, reduced (but not below zero) by all aggregate distributions to such Member pursuant to Section 3.01(a).

“Unreturned Capital Contributions” means a Member’s Capital Contributions reduced (but not below zero) by all distributions to such Member pursuant to Section 3.01(b).

“Year” means the tax and financial accounting period specified in Section 6.02.

Section 1.02 **Formation; Name.** The Company was formed by the filing of the Certificate by an authorized Person. The Members hereby agree to operate the Company as a limited liability company under the terms of this Agreement and the Act. Whenever the terms of this Agreement conflict with the Act, the terms of this Agreement shall control, except with respect to any matters contained in the Act that cannot be modified or waived by a limited liability company agreement. The Company shall be operated under the name “ALS Capital Ventures LLC.” The Manager or an authorized Person shall file such other certificates and documents as are necessary to qualify the Company to conduct business in any jurisdiction in which the Company conducts business. A copy of the Certificate shall be provided to any Member on request.

Section 1.03 **Registered Agent and Office; Principal Business Office.** The registered agent and office of the Company required under the Act shall be as designated in the Certificate, and may be changed by the Manager in accordance with the Act. The principal business office of the Company shall be located at 152 West 57th Street, New York, New York 10019, or such other address as shall be designated by the Manager.

Section 1.04 **Purpose.** The purpose of the Company is to engage in any business or activity for which a limited liability company may be organized under the Act, and the Company is authorized to do any and all acts and things necessary, appropriate, incidental to, or convenient for the furtherance and accomplishment of its purposes.

Section 1.05 **Term.** The term of the Company commenced on the date of filing of the Certificate, and the Company shall continue until the Company is terminated in accordance with this Agreement.

Section 1.06 **Title to Property.** All real and personal property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in the Member’s individual name or right, and each Member’s Interest shall be personal property for all purposes. The Company shall hold all of its real and personal property in the name of the Company and not in the name of any Member.

Section 1.07 **Waiver of Partition.** No Member shall either directly or indirectly take any action to require partition or appraisal of the Company or of any of its assets or properties or cause the sale of any Company property, and notwithstanding any provisions of applicable law to the contrary, each Member hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to such Member’s Interest, or with respect to any assets or properties of the Company, except as expressly provided in this Agreement.

ARTICLE II

CAPITAL CONTRIBUTIONS; INTERESTS; CAPITAL ACCOUNTS

Section 2.01 **Capital Contributions.** The Capital Contributions of the Members are set forth on Exhibit "A" attached hereto.

Section 2.02 **Additional Capital Contributions.** No Member shall be obligated to make any additional Capital Contributions to the Company.

Section 2.03 **Percentage Interests.** Each Member shall have the Percentage Interest in the Company set forth next to such Member's name on Exhibit "A" attached hereto.

Section 2.04 **Capital Accounts.** A Capital Account shall be maintained and adjusted for each Member in accordance with the following provisions:

(a) **Additions to Capital Accounts.** To each Member's Capital Account there shall be added the Member's Capital Contributions and the Member's distributive share of Profits and any items of income or gain which are allocated separately from Profits under Section 4.02.

(b) **Subtractions from Capital Accounts.** From each Member's Capital Account there shall be subtracted the amount of money and the Book Value of any Company property distributed to the Member (net of any liabilities to which the property is subject or that are assumed by the Member in connection with the distribution), and the Member's distributive share of Losses and any items of expenses or losses which are allocated separately from Losses under Section 4.02.

(c) **Transfers.** If any Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(d) **Book Values.** For purposes of determining a Member's Capital Contributions and Capital Account, property held by the Company shall be taken into account in accordance with the following provisions:

(i) The Book Value of any property contributed by a Member to the Company initially shall be the gross fair market value of the property.

(ii) The Book Value of all Company property shall be adjusted to equal the respective gross fair market values of the property as of the following times, unless the Manager determines that such adjustment is not necessary to reflect the economic arrangement among the Members: (A) the acquisition of an additional Interest by any new or existing Member in exchange for services or more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member of more than a de minimis amount of cash or property

as consideration for an Interest; or (C) the liquidation of the Company within the meaning of Regulation §1.704-1(b)(2)(ii)(g). If any property is distributed to a Member, the Book Value of such property shall be adjusted to equal the gross fair market value of such property immediately before such distribution.

(iii) The Book Values of Company property shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such property pursuant to §734(b) or §743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulation §1.704-1(b)(2)(iv)(m).

(iv) The Book Value of Company property shall be adjusted by the Depreciation taken into account with respect to such property.

Section 2.05 Compliance with Regulations. The foregoing provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with §704(b) of the Code and the Regulations issued thereunder, and shall be interpreted and applied in a manner consistent with such Regulations. Adjustments to Capital Accounts shall be made in addition to those set forth in Section 2.04 to the extent consistent with the Regulations. If the Manager determines that it is appropriate to modify the manner in which the Capital Accounts are computed or any items are allocated under Article IV in order to comply with such Regulations, the Manager may make such modification, provided that such modification shall not have a material effect on the amounts distributable to any Member.

Section 2.06 No Interest. No interest shall be paid on any Capital Contributions or Capital Account balance of any Member.

Section 2.07 No Deficit Make-Up. No Member shall be obligated to the Company or to any other Member solely because of a deficit balance in such Member's Capital Account.

ARTICLE III

DISTRIBUTIONS

Section 3.01 Distributions of Net Distributable Proceeds. After making the Tax Distributions as provided in Section 3.03, Net Distributable Proceeds shall be distributed to the Members at such times and in such amounts as shall be determined by the Manager. To the extent the Manager determines to make a distribution, the Net Distributable Proceeds shall be distributed among the Members as follows:

(a) First, among the Members in proportion to their relative Unpaid Preferred Returns until all Unpaid Preferred Returns are reduced to zero;

(b) Second, among the Members in proportion to their Unreturned Capital Contributions until all Unreturned Capital Contributions are reduced to zero;

(c) After the distributions in Section 3.01(a) and Section 3.01(b), all remaining Net Distributable Proceeds shall be distributed among all of the Members in proportion to their Percentage Interest.

Section 3.02 **Amounts Withheld**. The Company is authorized to withhold from distributions or with respect to allocations and pay over to any federal, state, local or foreign government any amounts required to be withheld with respect to any Member pursuant to any provisions of federal, state, local or foreign law. All amounts so withheld shall be treated as an advance against and correspondingly reduce amounts distributable to the Members pursuant to Section 3.01 (except for distributions constituting a return of capital). To the extent any amount withheld with respect to a Member pursuant to this Section 3.02 for any Year exceeds the amount distributable to such Member for such Year, such Member shall repay such excess to the Company within ten (10) days after such Member receives written notice from the Company of the amount of such excess.

Section 3.03 **Tax Distributions**. The Manager shall cause the Company to distribute to each Member for each year to the extent cash is available for distribution an amount of cash which equals (A)(i) the amount of net taxable income allocable to the Member in respect of such year (excluding for this purpose any increase in net taxable income allocable to the Partner pursuant to Section 704(c) of the Code or Regulation Section 1.704-1(b)(2)(iv)(g)), multiplied by (ii) the combined effective maximum individual federal and state income tax rate attributable to such taxable income (determined as if all Members were residents of the State of New York and taking into account the deductibility of state income taxes for federal income tax purposes), reduced by (B) any amounts withheld by the Company for state and federal income taxes with respect to the Member for such year (the "Tax Distribution"). Tax Distributions shall be made no later than ninety (90) days after the end of the Year, and may be made quarterly or on any other basis during the Year based upon the Manager's estimates of the net taxable income for the Year. Tax Distributions shall be treated as an advance against and correspondingly reduce amounts otherwise distributable to the Member (other than amounts to be distributed as a return of capital), and not as additional distributions.

ARTICLE IV

PROFITS AND LOSSES

Section 4.01 **General Allocation of Profits and Losses**. After taking into account any special allocations pursuant to Section 4.02 and subject to any limitations contained therein, Profits, Losses and, to the extent necessary, individual items of income, gain, loss or deduction, of the Company shall be allocated among the Members in a manner such that the Capital Account of each Member, immediately after making such allocation, is, as nearly as possible, equal (proportionately) to the distributions that would be made to such Member if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Book Value, all Company liabilities were satisfied (limited with respect to each nonrecourse liability to the Book Value of the assets securing such liability), and the net assets of the Company were distributed in accordance with Article III to the Members immediately after making such allocation.

Section 4.02 Special Allocations.

(a) **Limitation on Allocation of Items of Loss or Deduction.** No items of loss or deduction may be allocated to any Member to the extent such allocation would result in an Adjusted Capital Account deficit balance for such Member. Any items of loss or deduction that are prohibited to be allocated to a Member under the preceding sentence shall be reallocated among the other Members to whom such limitation does not apply in accordance with their relative Percentage Interests. If, at the end of a Year, any Member has an Adjusted Capital Account deficit balance, such Member shall be allocated items of gross income and gain to the extent necessary to eliminate such deficit balance.

(b) **Nonrecourse Deductions and Company Minimum Gain Chargeback.** Nonrecourse Deductions shall be allocated among the Members in accordance with their Percentage Interests. If there is a net decrease in Company Minimum Gain for any Year, each Member shall be allocated the next available items of income and gain for such Year (and for subsequent Years if necessary) equal to such Member's share of the net decrease in Company Minimum Gain as determined in accordance with Regulation §1.704-2(g) and the "minimum gain chargeback" requirement of Regulation §1.704-2(f).

(c) **Member Nonrecourse Deductions and Chargeback.** Member Nonrecourse Deductions for any Year shall be allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable as determined under Regulation §1.704-2(i). If there is a net decrease in Member Nonrecourse Debt Minimum Gain in any Year, each Member shall be allocated items of income and gain for such Year (and for subsequent Years if necessary) equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain in accordance with Regulation §1.704-2(i)(4).

(d) **Qualified Income Offset.** Any Member who unexpectedly receives, with respect to the Company, an adjustment, allocation, or distribution of any item described in subsections (4), (5), or (6) of Regulation §1.704-1(b)(2)(ii)(d) shall be allocated items of income and gain in an amount sufficient to eliminate such Member's Adjusted Capital Account deficit balance arising thereby as quickly as possible, in accordance with the "qualified income offset" rule of Regulation §1.704-1(b)(2)(ii)(d)(3).

(e) **Curative Allocations.** The special allocations set forth in this Section 4.02 are intended to comply with the requirements of the Regulations under §704(b) of the Code. It is the intent of the Members that all such special allocations shall be offset with other special allocations. Accordingly, to the extent consistent with the Regulations, to the extent that any such special allocations are made to a Member, subsequent offsetting special allocations shall be made to such Member such that the net amount of all items of income, gain, loss and deduction allocated to each Member is the same that would have been allocated to each Member if no special allocations had been made to any Member, taking into account future special allocations that, although not yet made, are likely to offset previous special allocations.

Section 4.03 **Allocation During Year.** For purposes of determining Profits, Losses, or any other items allocable to any period ending on a date other than the last day of the Company's Year, Profits, Losses, and any such other items shall be allocated among such periods using such method permitted by §706 of the Code and the Regulations thereunder as shall be chosen by the Manager.

Section 4.04 **Tax Allocations.**

(a) **General Allocation.** Except as otherwise provided in this Section 4.04, items of income, gain, loss and deduction as determined for federal income tax purposes shall be allocated in the same manner as the related items of Profits, Losses, or specially allocated items. Tax credits shall be allocated in accordance with Regulation §1.704-1(b)(4)(ii).

(b) **Contributed Property.** In accordance with §704(c) of the Code and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(c) **Revaluations.** If the Book Value of any property is adjusted pursuant to Section 2.04(d)(ii) of this Agreement, income, gain, loss and deduction with respect to such property shall be allocated among the Members so as to take account of any variation between the adjusted basis of such property for federal income tax purposes and its Book Value in the same manner as under §704(c) of the Code and the Regulations thereunder.

(d) **No Effect on Capital Accounts.** Allocations pursuant to this Section 4.04 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, or other items or distributions pursuant to any provision of this Agreement.

(e) **Allocation Method.** The method for making allocations pursuant to Section 4.04(b) and Section 4.04(c) shall be such method permitted by Regulation §1.704-3 as shall be selected by the Manager.

ARTICLE V

MANAGEMENT OF COMPANY

Section 5.01 **General Provisions Concerning Management.** The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager. No Member (other than in such Person's capacity as a Manager) has the authority or power to act for or on behalf of the Company, to do any act that would be binding on the Company or to incur any expenditures on behalf of the Company. The Company shall have one (1) Manager. The initial Manager shall be Platinum Partners Value Arbitrage Fund L.P. ("Platinum"). The Manager shall serve until death,

resignation, or removal in accordance with this Agreement. Except as otherwise provided in this Agreement, the Manager may delegate to any other authorized Person authority to act on behalf of the Company with respect to specific matters. The Manager hereby delegates to Credit Strategies, LLC authority over the Company's cash management activities and to take any and all actions on behalf of the Company with respect thereto. The Manager may resign at any time upon giving written notice of resignation to the Members. If a Manager resigns for any reason, Platinum or to the extent Platinum or its Affiliates no longer own any Percentage Interest, a majority in interest of the Members, shall appoint a replacement Manager. The Manager may be removed at any time (with or without cause) by the holders of a Required Interest of the Members. If the Manager is removed, the resulting vacancy shall be filled by holders of a Required Interest of the Members.

Section 5.02 **Meetings of Members; Written Consents.** Meetings of the Members may be called by the Manager or at the request of Members holding more than 33% of the Percentage Interests of the Members. Any Member may participate in a meeting by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear and speak to each other at the same time or in sequence, and participation in a meeting pursuant to this provision shall constitute presence at the meeting. Any action required or permitted to be taken at a meeting may be taken without a meeting if a consent, in writing, setting forth the action so taken shall be signed by the Members required to approve such action.

Section 5.03 **Contracts with Affiliates.** The Company may enter into contracts and agreements for property or services in the ordinary course of business with the Manager, any Member or any Person related to or affiliated with the Manager or any Member, provided such contracts and agreements are on terms and conditions which are no less favorable to the Company than could be obtained by the Company in the same type of transaction with an independent third party.

ARTICLE VI

BOOKS AND RECORDS; TAX AND FINANCIAL MATTERS

Section 6.01 **Books and Records.** Proper and complete records and books of account of the Company shall be maintained at the principal place of business of the Company. The Company books shall be closed and balanced at the end of each Year. Each Member or duly authorized representative of a Member shall have access and the right to inspect such books and records during normal business hours, provided any information obtained thereby may be used solely for purposes related to the business of the Company or the Member's Interest.

Section 6.02 **Accounting Year.** The year of the Company for tax and financial accounting purposes ("Year") shall end on the last day of the month of December, or on such other date as is required under Section 706 or Section 708 of the Code.

Section 6.03 **Reports and Tax Returns.** Within ninety (90) days after the end of each Year (subject to reasonable delays in the event of difficulty in obtaining or compiling of tax information), the Company shall transmit to each Person who was a Member at any time during the Year the Schedule K-1 (IRS Form 1065) for the Person for such Year. The Member designated as the Tax Matters Member in accordance with Section 6.04 shall cause to be prepared and filed all tax returns for the Company, and all tax elections concerning the Company shall be made by such Tax Matters Member under the direction of the Manager. Each Member agrees that it shall not take on any of its original or amended income tax returns or claims for refund any position with respect to any Company item of income, gain, loss, deduction, or credit that is inconsistent with the treatment of such item by the Company on the Schedule K-1 without first consulting with the Tax Matters Member and attempting to resolve any difference over the proper treatment of such item.

Section 6.04 **Tax Matters Member.** The Manager shall designate a Member as the Tax Matters Member to be the "tax matters partner" under §6231(a)(7) of the Code. The Manager may designate a different Member to serve as the Tax Matters Member at any time.

Section 6.05 **Banking.** All funds of the Company shall be deposited in the name of the Company in such checking account or accounts as shall be designated by the Manager. All withdrawals therefrom are to be made upon checks signed by a Person or Persons authorized by the Manager.

ARTICLE VII

TRANSFERS, ADMISSIONS, AND WITHDRAWALS

Section 7.01 **Transfers.** Except as provided in this Agreement, no Member shall Transfer all or any portion of the Member's Interest without the written consent of the Manager. The transferee shall pay all costs and expenses incurred by the Company in connection with such transfer. Any purported Transfer in violation of this Agreement shall be null and void.

Section 7.02 **Admissions.** Except as provided in this Agreement, no transferee of an Interest shall be admitted as a Member of the Company without the written consent of the Manager, and only if the transferee agrees to be legally bound by this Agreement as a Member and executes and delivers to the Company such documents and instruments as are necessary or appropriate in connection with the transferee becoming a Member. The transferee shall pay all costs and expenses incurred by the Company in connection with such admission. Any transferee of an Interest who is not admitted as a Member shall have the rights of an assignee with respect to distributions and Profits, Losses, and other allocations attributable to the transferred Interest, but shall have no rights as a Member under this Agreement or the Act. Notwithstanding the foregoing, the Interest of the assignee shall be subject to the restrictions contained in this Agreement applicable to Interests held by a Member.

Section 7.03 **No Withdrawal.** No Member shall have the right to withdraw from the Company prior to the dissolution and winding up of the Company.

Section 7.04 **Permitted Transfers.** Notwithstanding any other provision of this Agreement, any Member may transfer all or part of such Member's Interest (i) to such Member's Affiliate, (ii) to such Member's spouse, children, or grandchildren, or trust for the benefit of such Member's spouse, children, or grandchildren, or (iii) to another Member without the consent of any Manager or Member. Any transferee of an Interest that is a permitted transferee under this Section 7.04 may, subject to Section 7.02, become a substituted Member.

Section 7.05 **Rights of First Refusal.**

(a) If any Member (other than Platinum) proposes to Transfer (other than a Transfer permitted under Section 7.04) to any Person any Units in one or more related transactions (the "Proposed Sale"), such Member (the "Seller") shall promptly give written notice (the "Transfer Notice") to the Company and to Platinum at least thirty (30) days prior to such proposed Transfer. The Transfer Notice shall describe in reasonable detail the Proposed Sale, including, without limitation, the number and class of Units to be transferred (the "Transfer Units"), the nature of such Transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee.

(b) The Company shall have the right, exercisable upon written notice to the Seller within ten (10) days after receipt of the Transfer Notice, to purchase any or all of the Transfer Units on the same terms and conditions as the Proposed Sale.

(c) If the Company does not exercise its right of first refusal as to all of the Transfer Units, the Seller shall give written notice thereof to Platinum (the "Secondary Notice"), and Platinum shall thereupon have the right, exercisable within ten (10) days after receipt of such Secondary Notice, to purchase any or all Transfer Units on the same terms as the Proposed Sale.

(d) If neither the Company nor Platinum exercise their right of first refusal as to all of the Transfer Units, subject to the following provisions of this Section 7.05, the Seller may consummate the Proposed Sale for the remainder of the Transfer Units upon the terms set forth in the Transfer Notice within thirty (30) days after the date of the last notice provided by Seller pursuant to this Section 7.05 or Seller may cancel the Proposed Sale. Any desired Transfer of Units after the termination of such thirty (30) day period must again first be offered to the Company and Platinum pursuant to this Section 7.05.

Section 7.06 **Drag Along Rights.** In the event that Platinum agrees to: (i) sell all of its Units; (ii) vote in favor of a merger, consolidation amalgamation, reorganization or recapitalization, share exchange, business combination, or similar transaction involving the Company; or (iii) vote in favor of the sale of all or substantially all of the Company's assets, (each an "Approved Transaction") in each case to an unaffiliated, third party purchaser or purchasers, in a single transaction or series of related transactions; then, the each other Member shall: (a) consent to, vote for and raise no objections against the Approved Transaction or the process pursuant to which the Approved Transaction was arranged; (b) waive any dissenters', appraisal and similar rights with respect to the Approved Transaction, and (c) if the Approved

Transaction is a sale of Units, agree to sell all of its Units on the terms and conditions of the Approved Transaction. Each Member shall take all necessary and reasonably desirable actions in connection with the consummation of any Approved Transaction, including without limitation the execution of such agreements and instruments and other actions reasonably necessary to: (x) cooperate with the purchaser in such Approved Transaction to provide access and information as may be reasonably requested by such purchaser, (y) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Approved Transaction; and (z) effectuate the allocation and distribution of the aggregate consideration upon the Approved Transaction such that all Members shall receive the same proportion of the aggregate consideration from such Approved Transaction that such Member would have received if such aggregate consideration had been distributed by the Company in a complete liquidation pursuant to the rights and preferences set forth in this Agreement.

Section 7.07 Change in Business Form. In connection with a proposed Public Offering with respect to which the managing underwriters advise the Company that in their opinion the capital structure of the Company or its form of legal entity may adversely affect the marketability of the offering, the Members and any other Person owning Units will vote for a recapitalization and/or exchange of the Units into securities (the "Reclassified Securities") (i) that the managing underwriters and the Manager find acceptable, (ii) which does not cause any Member to recognize significant income for federal income tax purposes, and (iii) in which all or a portion of the Units are either combined into a single class or type of Reclassified Security and/or the rights and preferences of all or a portion of the classes of Units of the Company are preserved as nearly as possible, and the Members and any other Person owning Units will take such actions as are reasonably required in connection with such recapitalization and/or exchange, including converting the Company from a limited liability company into a corporation, contributing their respective Units to a newly formed corporation in exchange for stock of such newly formed corporation or structuring the recapitalization and/or exchange in any other manner advised by the managing underwriters and the Manager; provided, that the Reclassified Securities provide each Member or other Person owning Units with the same relative economic interest (taking into account any federal income tax consequences or the recapitalization) as such Person had prior to such recapitalization or exchange. Each Member or other Person owning Units shall take all action reasonably requested by the Manager to effect any such restructuring.

ARTICLE VIII

TERMINATION AND DISSOLUTION

Section 8.01 Dissolution Events. The Company shall be terminated and dissolved only upon the election of either the Manager or the holders of a Required Interest of the Members to dissolve the Company or the entry of a final decree of judicial dissolution under the Act. The happening of any event that terminates the continued membership of a Member shall not cause a dissolution of the Company.

Section 8.02 Liquidation.

(a) **Winding Up.** Upon the dissolution of the Company, the Company's business shall be liquidated in an orderly manner. The Manager shall determine which Company property shall be distributed in-kind and which Company property shall be liquidated. The liquidation of Company property shall be carried out as promptly as is consistent with obtaining the fair value thereof.

(b) **Payments and Distributions.** Company property or the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order of priority, with no distribution being made in any category set forth below until each preceding category has been satisfied in full:

(i) To the payment and discharge of all of the Company's debts and liabilities, including any debts and liabilities owed to any Member, and to the expenses of liquidation;

(ii) To the establishment of Reserves (which Reserves, to the extent no longer needed by the Company, shall be distributed in accordance with the order of priority set forth in subsection (iii) below);

(iii) To and among the Members in accordance with Article III of this Agreement.

ARTICLE IX

EXCULPATION AND INDEMNIFICATION

Section 9.01 **Exculpation.** No Indemnified Party shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission of the Indemnified Party on behalf of the Company, provided that the act or omission is not determined by a court to be due to such Indemnified Party's willful misconduct or recklessness.

Section 9.02 **Indemnification.** The Company shall indemnify and hold harmless each Indemnified Party against any loss or damage (including attorneys' and other professional fees) incurred by the Indemnified Party on behalf of the Company or in furtherance of the Company's interests, without relieving the Indemnified Party of liability for willful misconduct or recklessness. The satisfaction of any indemnification shall be from and limited to Company's assets and no Member shall have any liability on account thereof. The right to indemnification shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by the Indemnified Party in advance of the final disposition of any proceeding; provided, however, that the advance payment of such expenses shall be made only upon delivery to the Company of a written affirmation by such Indemnified Party of such Indemnified Party's good faith belief that the Indemnified Party has met the standard of conduct necessary for indemnification under this Agreement and a written undertaking, by or on behalf of such Indemnified Party, to repay all amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified under this Agreement or otherwise.

ARTICLE X
REPRESENTATIONS

Section 10.01 **General.** As of the date hereof, each of the Members makes each of the representations and warranties applicable to such Member as set forth in this Section 10.01, and such representations and warranties shall survive the execution of this Agreement.

(a) **Due Incorporation or Formation; Authorization of Agreement.** If such Member is a corporation, partnership, trust, limited liability company, or other legal entity, it is duly organized or formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and has the power and authority to own property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such Member is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder, and the execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate or partnership or company action. This Agreement constitutes the legal, valid, and binding obligation of such Member.

(b) **No Conflict or Default.** The execution, delivery, and performance of this Agreement and the consummation by such Member of the transactions contemplated hereby (i) will not conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, or any arbitrator, applicable to such Member, and (ii) will not conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, operating agreement, or other organizational documents of such Member, or of any material agreement or instrument to which such Member is a party or by which such Member is or may be bound or to which any of its material properties or assets are or may be subject.

(c) **Governmental Authorizations.** Any registration, declaration or filing with or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority that is required in connection with the valid execution, delivery, acceptance, and performance by such Member under this Agreement or the consummation by such Member of any transaction contemplated hereby has been completed, made, or obtained on or before the effective date of this Agreement.

(d) **Litigation.** There are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Member, threatened against or affecting such Member or any of such Member's properties, assets, or businesses in any court or before or by any governmental department, board, agency, instrumentality, or arbitrator which, if adversely determined, could (or in the case of an investigation could lead to any action, suit, or proceeding which, if adversely determined, could) reasonably be expected to materially impair such Member's ability to perform its obligations under this Agreement.

Section 10.02 **Investment Representations.** Each Member represents and warrants that it has acquired its Interest for its own account as part of a transaction exempt from registration under the Securities Act of 1933, as amended, and applicable state law for investment purposes and not with a view to the resale or distribution thereof, and that it has had access to any and all information necessary to arrive at its decision to acquire its Interest. In addition to the restrictions on transfer of Interests otherwise set forth in this Agreement, no Interest may be sold, transferred, assigned or otherwise disposed of by any Member in the absence of registration under the Securities Act of 1933, as amended, and applicable state law, or an opinion of counsel experienced in securities matters and satisfactory to the Members that such assignment or other disposition will not be in violation of said Securities Act or state laws. No Member shall have any right to require registration of its Interest under said Securities Act or applicable state law and, in view of the nature of the Company and its business, such registration is neither contemplated nor likely. Each Member further acknowledges that it understands that the effect of the foregoing representation and warranty and restriction on assignment or other disposition is generally to require that such Interest be held indefinitely unless it is registered or an exemption from registration is available.

ARTICLE XI

MISCELLANEOUS

Section 11.01 **Notices.** All notices, approvals, consents, requests, instructions, and other communications (collectively "Communications") required to be given in writing pursuant to this Agreement shall be validly given, made or served only when delivered personally or by registered or certified mail, return receipt requested, postage prepaid, or by a reputable overnight or same day courier, addressed to the Company or the Member at the address that is on record at the principal office of the Company, or by facsimile to the number that is on record at the principal office of the Company. Any such Communication shall be treated as given under this Agreement when the Communication is delivered to such address or received at such facsimile number. The designation of the Person to receive such Communication on behalf of a Member or the address of any such Person for the purposes of such Communication may be changed from time to time by written notice given to the Company pursuant to this Section.

Section 11.02 **Parties Bound; No Third Party Beneficiaries.** This Agreement shall inure to the benefit of and shall be binding upon all of the parties and their respective heirs, successors and assigns. Except for the Indemnified Parties, no provision of this Agreement is intended to or shall be construed to grant or confer any right to enforce this Agreement or any remedy for breach of this Agreement to or upon any Person other than the parties hereto.

Section 11.03 **Applicable Law.** This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law rules.

Section 11.04 **Amendment.** No change or modification to this Agreement shall be valid unless the same is in writing and signed by Platinum, a Required Interest of the

Members or, to the extent Platinum or its Affiliates no longer own a Percentage Interest, a majority in interest of the Members of the Company.

Section 11.05 **Entire Agreement.** This Agreement contains the entire understanding among the parties and supersedes any prior understandings and agreements between them respecting the subject matter hereof. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

Section 11.06 **Severability.** If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

Section 11.07 **Counterparts.** This Agreement may be executed in one or more counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

Section 11.08 **Construction.** When from the context it appears appropriate, each term stated either in the singular or the plural shall include the singular and the plural and pronouns stated either in the masculine, the feminine or the neuter shall include the masculine, the feminine and the neuter.

Section 11.09 **Headings and Captions.** The headings and captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement or any provisions hereof.

Section 11.10 **No Waiver.** The failure of any Member to insist upon strict performance of a covenant hereunder or of any obligation hereunder or to exercise any right or remedy hereunder, regardless of how long such failure shall continue, shall not be a waiver of such Member's right to demand strict compliance therewith in the future unless such waiver is in writing and signed by the Member giving the same.

Section 11.11 **Other Business and Investment Ventures.** Except as otherwise provided in this Agreement or any other agreement to which a Member is a party, each Member may engage in other business or investment ventures, including business or investment ventures in competition with the Company, and neither the Company nor the other Members shall have any rights in such business or investment ventures.

Section 11.12 **Additional Instruments.** Each Member agrees to execute and deliver such additional agreements, certificates, and other documents as may be necessary or appropriate to carry out the intent and purposes of this Agreement.

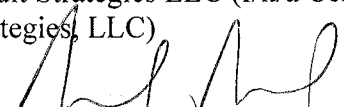
ALS CAPITAL VENTURES LLC
OPERATING AGREEMENT
Exhibit "A"

CAPITAL CONTRIBUTIONS AND PERCENTAGE INTERESTS

<u>Member</u>	<u>Capital Contribution</u>	<u>Percentage Interest</u>
Centurion Credit Strategies, LLC	\$ 23,778,500	41.61%
Platinum Partners Value Arbitrage Fund, LP	\$15,071,500	26.37%
Platinum Partners Liquid Opportunity Master Fund LP	\$ 2,500,000	4.37%
Purchase of Stock LLC	\$ 3,000,000	5.25%
AhavasYisroel Charitable Foundation	\$1,000,000	1.75%
Gertrude Nieberg	\$ 250,000	0.44%
Pee & En, LLC	\$1,500,000	2.62%
Sarme, LLC	\$1,000,000	1.75%
Chaim Lunger	\$450,000	0.79%
Lyncrest Consulting, LLC	\$250,000	0.44%
William Korn	\$1,200,000	2.10%
Premier Investment Enterprises, LLC	\$ 2,300,000	4.02%
BGOTP, LLC	\$250,000	0.44%
Mordechai Adler	\$250,000	0.44%
Stanley Nieberg	\$ 250,000	0.44%
Edwin Ting	\$250,000	0.44%
S. Nieberg Trading, LLC	\$1,000,000	1.75%
1544 Management LLC	\$2,850,000	4.99%
TOTAL	57,150,000	100.00%

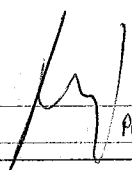
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By:  Name & Title: <u>NATHAN MANERA, CEO</u>	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	_____ Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarnei, LLC By: _____ Name & Title: _____
_____ Chaim Lungert	Lyncrest Consulting, LLC By: _____ Name & Title: _____
_____ William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	_____ Mordechai Adler
_____ Stanley Nieberg	_____ Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	Gertrude Nieberg
Pee & En LLC By:  Name & Title: <u>Avichail Weinstein, MEMBER</u>	Sarme, LLC By: _____ Name & Title: _____
Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	Mordechai Adler
Stanley Nieberg	Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	_____ Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: _____ Name & Title: _____
_____ Chaim Lungert	Lyncrest Consulting, LLC By: _____ Name & Title: _____
_____ William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	_____ Mordechai Adler
_____ Stanley Nieberg	_____ Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: _____ Name & Title: _____
Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By:  Name & Title: DIANNA ORATZ - MEMBER	Mordechai Adler
Stanley Nieberg	Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: <u>Sarme, LLC</u> Name & Title: <u>Mitch Reichman</u> <i>President Sarme, LLC</i>
Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	Mordechai Adler
Stanley Nieberg	Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: _____ Name & Title: _____
Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
William Korn	Premier Investment Enterprises, LLC By: <u>Rachel & Ruben</u> Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	Mordechai Adler
Stanley Nieberg	Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

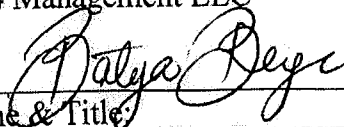
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: _____ Name & Title: _____
Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	Mordechai Adler
Stanley Nieberg	Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: _____ Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: _____ Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: _____ Name & Title: _____
Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	Mordechai Adler
Stanley Nieberg	Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By:  Name & Title: _____

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MEMBERS

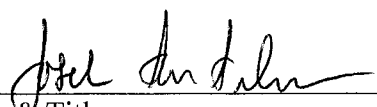
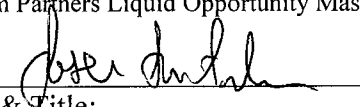
Credit Strategies LLC (f/k/a Centurion Credit Strategies, LLC) By: _____ Name & Title: _____	Platinum Partners Value Arbitrage Fund, LP By: <u></u> Name & Title: _____
Platinum Partners Liquid Opportunity Master Fund LP By: <u></u> Name & Title: _____	Purchase of Stock LLC By: _____ Name & Title: _____
Ahavas Yisroel Charitable Foundation By: _____ Name & Title: _____	_____ Gertrude Nieberg
Pee & En LLC By: _____ Name & Title: _____	Sarme, LLC By: _____ Name & Title: _____
_____ Chaim Lunger	Lyncrest Consulting, LLC By: _____ Name & Title: _____
_____ William Korn	Premier Investment Enterprises, LLC By: _____ Name & Title: _____
BGOTP, LLC By: _____ Name & Title: _____	_____ Mordechai Adler
_____ Stanley Nieberg	_____ Edwin Ting
S. Nieberg Trading, LLC By: _____ Name & Title: _____	1544 Management LLC By: _____ Name & Title: _____

EXHIBIT F

BR DRAFT: 8.19.14

**FIRST AMENDMENT TO
OPERATING AGREEMENT
OF ALS CAPITAL VENTURES LLC**

This First Amendment (the "Amendment") to the Operating Agreement of ALS CAPITAL VENTURES LLC, a Delaware limited liability company (the "Company"), is entered into as of the 19th day of August, 2014 by and among the Members party hereto.

BACKGROUND

A. Effective as of November 15, 2012, the Members entered into an operating agreement (the "Operating Agreement").

B. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Operating Agreement.

C. The Members holding the Required Interest and Platinum desire to make certain amendments to the Operating Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

I. Amendments to Operating Agreement.

1. The following definitions shall be inserted in the Operating Agreement in proper alphabetical order in Section 1.01:

"Special Capital Contribution" means any Capital Contribution contributed by a Member after November 15, 2012.";

"Special Return" with respect to a Special Capital Contribution means beginning from the date of such Special Capital Contribution until the date of distribution in respect of such Special Capital Contribution in accordance with Section 3.01(a), an amount equal to such Special Capital Contribution multiplied by twelve and one-half percent (12.5%) per annum, which to the extent not paid shall accrue and compound.";

"Unreturned Special Capital Contributions" means a Member's Special Capital Contributions reduced (but not below zero) by all distributions to such Member pursuant to Section 3.01(a)."

and

"Unpaid Special Return" means a Member's Special Return earned to the date for which the Unpaid Special Return is being determined, reduced (but not below zero) by all aggregate distributions to such Member in respect of Unpaid Special Returns pursuant to Section 3.01(b)."

2. The definition of “Preferred Return” in Section 1.01 is hereby deleted in its entirety and replaced with the following:

“Preferred Return” with respect to a Capital Contribution (other than a Special Capital Contribution) means beginning from the date of such Capital Contribution until the date of distribution in respect of such Capital Contribution in accordance with Section 3.01(c), an amount equal to such Capital Contribution multiplied by twelve and one-half percent (12.5%) per annum, which to the extent not paid shall accrue and compound.

3. The definition of “Unpaid Preferred Return” in Section 1.01 is hereby deleted in its entirety and replaced with the following:

“Unpaid Preferred Return” means a Member’s Preferred Return earned to the date for which the Unpaid Preferred Return is being determined, reduced (but not below zero) by all aggregate distributions to such Member in respect of Unpaid Preferred Returns pursuant to Section 3.01(b).

4. The definition of “Unreturned Capital Contributions” in Section 1.01 is hereby deleted in its entirety and replaced with the following:

“Unreturned Capital Contributions” means a Member’s Capital Contributions (other than a Special Capital Contribution) reduced (but not below zero) by all distributions to such Member pursuant to Section 3.01(c).

5. Section 3.01 is hereby deleted in its entirety and replaced with the following:

Section 3.01 Distributions of Net Distributable Proceeds.

After making the Tax Distributions as provided in Section 3.03, Net Distributable Proceeds shall be distributed to the Members at such times and in such amounts as shall be determined by the Manager. To the extent the Manager determines to make a distribution, the Net Distributable Proceeds shall be distributed among the Members as follows:

(a) First, among the Members in proportion to their Unreturned Special Capital Contributions until all Unreturned Special Capital Contributions are reduced to zero;

(b) Second, among the Members, in proportion to their relative Unpaid Special Returns and Unpaid Preferred Returns (calculated on a *pari passu* basis), until all Unpaid Special Returns and all Unpaid Preferred Returns are reduced to zero;

(c) Third, among the Members in proportion to their Unreturned Capital Contributions until all Unreturned Capital Contributions are reduced to zero;

(d) After the distributions in Section 3.01(a), Section 3.01(b) and Section 3.01(c), all remaining Net Distributable Proceeds shall be distributed among all of the Members in proportion to their Percentage Interest.

6. All references to Platinum in the Operating Agreement shall, from and after the date hereof, be deemed changed to Credit Strategies LLC ("Credit Strategies").

7. Section 11.04 is hereby deleted in its entirety and replaced with the following:

Section 11.04 Amendment. No change or modification to this Agreement shall be valid unless the same is in writing and signed by Credit Strategies and a Required Interest of the Members.

8. Exhibit "A" to the Operating Agreement is hereby deleted in its entirety and replaced with Exhibit "A" attached hereto.

II. Miscellaneous.

1. In accordance with Section 11.04 of the Operating Agreement, this Amendment shall become effective when signed by Platinum and Members holding a Required Interest.

2. Except as modified by this Amendment, the Operating Agreement shall continue unmodified and in full force and effect.

3. This Amendment and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware, without giving effect to any conflicts of law principles.

4. If any provision of this Amendment or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Amendment and the application of such provision to other Persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

5. This Amendment may be executed in one or more counterparts with the same effect as if all of the parties had signed the same document.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused the First Amendment to the Limited Liability Company Agreement of ALS CAPITAL VENTURES LLC to be duly executed and delivered as of the day and year first written above.

HOLDERS OF THE REQUIRED INTEREST:

CREDIT STRATEGIES LLC

By: [Signature]
Name: Mark Noidlich
Title: Mark Noidlich President

PLATINUM PARTNERS VALUE ~~ARBITRAGE~~ FUND LP

By: [Signature]
Name: Mark Noidlich
Title: President

ALS CAPITAL VENTURES LLC
Operating Agreement
Exhibit A

Capital Contributions and Percentage Interests

(As of August 19, 2014)

	Capital Contribution	Percentage Interest
Credit Strategies, LLC	\$46,650,062.50	81.63%
Purchase of Stock LLC	\$3,000,000	5.25%
Gertrude Nieberg	\$250,000	0.44%
Pee & En, LLC	\$1,500,000	2.62%
Chaim Lunger	\$450,000	0.79%
Lyncrest Consulting, LLC	\$250,000	0.44%
William Korn	\$1,000,000	2.10%
Edwin Ting	\$250,000	0.44%
S. Nieberg Trading, LLC	\$1,000,000	1.75%
AM Life II LLC	\$2,600,000	4.55%

EXHIBIT G

ALS CAPITAL VENTURES, LLC

**WRITTEN CONSENT OF THE MANAGER
TO ACTION TAKEN WITHOUT A MEETING**

The undersigned, being the sole Manager of ALS Capital Ventures, LLC, LLC, a Delaware limited liability company (the "Company"), and the owner of a Percentage Interest in the Company, does hereby adopt of the following resolution by action taken, pursuant to the Delaware Limited Liability Company Act (the "Act"), without a meeting:

RESOLVED, that, effective immediately, Platinum Partners Value Arbitrage Fund LP, resigns as Manager of the Company;

RESOLVED, that, pursuant to Section 5.01 of the Operating Agreement of the Company dated as of November 15, 2012, Credit Strategies LLC, a Delaware limited liability company, is appointed as Manager of the Company, to serve until its successor has been duly elected and qualified.

Dated: February 19, 2014

PLATINUM PARTNERS VALUE
ARBITRAGE FUND LP.

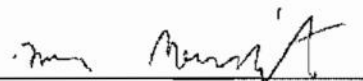
By: 
Name:
Title:

EXHIBIT H

OPERATING AGREEMENT

OF

ALS Life Holdings LLC

This Operating Agreement effective as of this 16th day of September, 2015 by, between and among the undersigned confirms our understanding as to the matters contained herein.

The parties hereto agree as follows:

Article I

Definitions

Section 1.1 As used herein, the following terms and phrases shall have the meanings indicated:

- A. “Act” shall mean the Delaware Limited Liability Company Act, as amended.
- B. “Capital Account” shall mean, with respect to each Member, the account established for each Member pursuant to Section 6.5, which will initially equal the Capital Contributions of such Member and will be (a) increased by the amount of Net Profits allocated to such Member and (b) reduced by the amount of Net Losses allocated to such Member and the amount of Cash Flow distributed to such Member. Members’ Capital Accounts shall be determined and maintained in accordance with the rules of paragraph (b)(2)(iv) of Regulation Section 1.704-1 of the Code.
- C. “Capital Contributions” shall mean the fair market value of the amounts contributed by the Members pursuant to Section 6.1.
- D. “Cash Flow” shall have the meaning provided in Section 7.1.
- E. “Code” shall mean the Internal Revenue Code of 1986, as amended, or corresponding provisions of subsequent revenue laws.
- F. “Operating Managers” shall mean the Member or Members selected by the Members in accordance with this Agreement to serve as Operating Manager or Operating Managers of the Company.
- G. “Members” shall mean the persons designated as such in this Agreement, any successor(s) to their interests as such in the Company; and any other person who pursuant to this Agreement shall become a Member, and any reference to a “Member” shall be to any one of the then Members.
- H. “Net Profits” and “Net Losses” shall mean the net profit or net loss, respectively, of the Company determined in accordance with Section 8.1.

- I. The words “membership interest” shall mean a Member’s interest in the Company which shall be in the proportion that the Member’s share of the current profits of the Company bears to the aggregate shares of all the Members determined in accordance with section 503 of the Act which states that profits and losses shall be allocated on the basis of the value of the contributions of each Member as stated in the Operating Agreement. A “majority in interest of the Members” and “two-thirds in interest of the Members” shall mean Members whose aggregate share of the current profits of the Company constitute more than one-half or two-thirds, respectively, of the aggregate shares of all the Members. A Membership Interest may be evidenced by a certificate issued by the Company. A Membership Interest may be expressed on a certificate as “Units” where a Member’s Unit bears to the aggregate Membership Interests of all Members. A Member’s Interest may be a certificated security or an uncertificated security within the meaning of section 8-102 of the uniform commercial code if the requirements of section 8-103(c) are met, and if the requirements are not met such interest shall, for purposes of the uniform commercial code, be deemed to be a general intangible asset.
- J. “Company” shall mean this Limited Liability Company.
- K. “Person” shall mean any natural person, corporation, partnership, joint venture, association, limited liability company or other business or legal entity.

Article II

Organization of the Company

Section 2.1 The purpose of the Company is to conduct any lawful business for which limited liability companies may be organized and to do all things necessary or useful in connection with the foregoing.

Section 2.2 The Company name shall be ALS Life Holdings LLC. The Members shall be Members in the Company and shall continue to do business under the name until the Operating Managers shall change the name or the Company shall terminate.

Section 2.3 The principal address of the Company shall be 250 W. 55th Street, 14th Floor, New York, NY 10019-3310, or such other place or places as the Operating Managers may determine. The Operating Managers will give notice to the Members promptly after any change in the location of the principal office of the Company.

Section 2.4 The Company shall have perpetual existence, except that the Company may terminate prior to such date as provided in this Agreement.

Article III

Status of Members

Section 3.1 No Member will be bound by, or be personally liable for the expenses, liabilities or obligations of the Company.

Section 3.2 No Member will be entitled to withdraw any part of his Capital Account or to receive any distributions from the Company except as expressly provided in this Agreement.

Section 3.3 No Member will have the right to require partition of the Property or to compel any sale or appraisal of the Company's assets or any sale of a deceased Member's interest in the Company's assets, notwithstanding any provisions of law to the contrary.

Article IV

Meeting of Members

Section 4.1 An annual meeting of Members shall be held within five (5) months after the close of the fiscal year of the Company on such date and at the time and place (either within or without the State of its organization) as shall be fixed by the members. At the annual meeting, the Members shall elect the Operating Managers and transact such other business as may properly be brought before the meeting.

Section 4.2 A special meeting of Members may be called at any time by the Operating Managers and shall be called by the Operating Managers at the request in writing of a majority in interest of the Members entitled to vote at such meeting. Any such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of Members shall be confined to the purposes set forth in the notice thereof.

Section 4.3 Written notice of the time, place and purpose of every meeting of Members (and, if other than an annual meeting, the person or persons at whose discretion the meeting is being called), shall be given by the Operating Managers to each Member of record entitled to vote at such meeting, not less than ten nor more than sixty days prior to the date set for the meeting. Notice shall be given either personally or by mailing said notice by first class mail to each Member at his address appearing on the record book of the Company or at such other address supplied by him in writing to the Operating Managers of the Company for the purpose of receiving notice.

A written waiver of notice setting forth the purposes of the meeting for which notice is waived, signed by the person or persons entitled to such notice, whether before or after the time of the meeting stated therein, shall be deemed equivalent to the giving of such notice. The attendance by a Member at a meeting either in person or by proxy without protesting the lack of notice thereof shall constitute a waiver of notice of such Member.

All notices given with respect to an original meeting shall extend to any and all adjournments thereof and such business as might have been transacted at the original meeting

may be transacted at any adjournment thereof; no notice of any adjourned meeting need be given if an announcement of the time and place of the adjourned meeting is made at the original meeting.

Section 4.4 The holders of a majority in interest of the Members present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of members except as otherwise provided by statute or the Articles of Organization. If, however, a quorum shall not be present or represented at any meeting of Members, the Members entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. When a quorum is once present to organize a meeting, such quorum is not deemed broken by the subsequent withdrawal of any Members.

Section 4.5 Every Member entitled to vote at any meeting shall be entitled to vote in accordance with his membership interest in the Company held by him of record on the date fixed as the record date for said meeting and may so vote in person or by proxy. Any Company action shall be authorized by a majority in interest of the votes cast by the Members entitled to vote thereon except as may otherwise be provided by statute, the Articles of Organization or this Operating Agreement.

Section 4.6 Every proxy must be signed by the member entitled to vote or by his duly authorized attorney-in-fact and shall be valid only if filed with the Operating Managers of the Company prior to the commencement of voting on the matter in regard to which said proxy is to be voted. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise expressly provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing its except as otherwise provided by statute. Unless the proxy by its terms provides for a specific revocation date and except as otherwise provided by statute, revocation of a proxy shall not be effective unless and until such revocation is executed in writing by the Member who executed such proxy and the revocation is filed with the Operating Managers of the Company prior to the voting of the proxy.

Section 4.7 All meetings of Members shall be presided over by the Operating Managers, or if not present, by a Member thereby chosen by the Members at the meeting. The Operating Managers or the person presiding at the meeting shall appoint any person present to act as secretary of the meeting.

Section 4.8 For the purpose of determining the Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof or to express consent or dissent from any proposal without a meeting, or for the purpose of determining the Members entitled to receive payment of any distribution of Cash Flow or the allotment of any rights, or for the purpose of any other action, the Members may fix, in advance, a date as the record date for any such determination of Members. Such date shall not be more than fifty nor less than ten days before the date of any meeting nor more than fifty days prior to any action taken without a meeting, the payment of any distribution of Cash Flow or the allotment of any rights, or any other action. When a determination of Members of record entitled to notice of, or to vote at any

meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Members fix a new record date under this Section for the adjourned date.

Section 4.9 The company shall be entitled to treat the holder of record of any membership interest as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such membership interest on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the Act.

Article V

Management

Section 5.1 Management of the Company shall be vested in all of the Members who shall also serve as Operating Managers of the Company. The Operating Managers shall vote in proportion to their Membership Interests in the Company. Except as otherwise provided in this Agreement, all decisions of the Operating Managers shall be by a majority in interest of the Members. All Operating Managers must be Members of the Company. No Member will take part in or interfere in any manner with the conduct or control of the business of the Company or have any right or authority to act for or bind the Company except as provided in this Agreement.

Section 5.2 The Operating Managers shall hold office for the term for which elected and until a successor has been elected and qualified. A vacancy in the office of Operating Manager arising from any cause may be filled for the unexpired portion of the term by the Members.

Section 5.3 Any Operating Manager may resign at any time by giving written notice to the Members. Any such resignation shall take effect at the time specified therein or, if the time is not specified therein, upon the receipt thereof, irrespective of whether any such resignations shall have been accepted.

Section 5.4 The Company shall be managed by the Operating Managers and the conduct of the Company's business shall be controlled and conducted solely and exclusively by the Operating Managers in accordance with this Agreement. In addition to and not in limitation of any right and powers conferred by law or other provisions of this Agreement, the Operating Managers shall have and may exercise on behalf of the Company all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes, business and objectives of the Company, and to maximize Company profits. Such powers shall include, without limitation, the following:

- A. To open accounts and deposit and maintain funds in the name of the Company in banks or savings and loan associations;
- B. To determine the appropriate accounting method or methods to be used by the Company;
- C. To commence lawsuits and other proceedings;

- D. To retain accountants, attorneys or other agents to act on behalf of the Company;
- E. To execute, acknowledge and deliver any and all instruments to effectuate the foregoing, and to take all such action in connection therewith as the Operating Managers deem necessary or appropriate.

Section 5.5 Notwithstanding the foregoing, the Operating Managers may not make any of the following management decisions without obtaining the consent of two-thirds in interest of the Members:

- A. To acquire, sell, assign, or otherwise transfer any interest in any property;
- B. To create any indebtedness for borrowed money whether or not secured;
- C. To make, execute or deliver on behalf of the Company any assignment for the benefit of creditors or any guarantee, indemnity bond, or surety bond;
- D. To obligate the Company or any Member as a surety, guarantor or accommodation party to any obligation;
- E. To confess any judgement on behalf of the Company;
- F. To do any act which makes it impossible to carry on the ordinary business of the Company;
- G. To make any decision regarding any employee;
- H. To obligate the Company in any manner for a liability in excess of \$10,000.

Section 5.6 The Operating Manager shall serve as Tax Matters Member as such term is defined in Code Section 6231(a)(7).

Section 5.7 Any person made or threatened to be made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he, his testator or intestate, then, is, or was a manager, Member, employee or agent of the Company, or then serves or has served on behalf of the Company in any capacity at the request of the Company, shall be indemnified by the Company against reasonable expenses, judgements, fines and amounts actually and necessarily incurred in connection with the defense of such action or proceeding or in connection with an appeal therein, to the fullest extent permissible by the Act. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled.

Article VI

Capital

Section 6.1 The Members have contributed to the Company in exchange for their membership interests their interests the cash and other property as set forth on Schedule A, annexed hereto.

Section 6.2 The fair market value and the adjusted basis of the contributing Member of any property other than cash contributed to the Company by a Member shall be set forth on Schedule A, annexed hereto.

Section 6.3 Except as expressly provided in this Agreement, no Member shall be required to make any additional contributions to the capital of the Company.

Section 6.4 No interest shall be paid on the Capital Account of any Member.

Section 6.5 A Capital Account shall be established for each Member on the books and records of the Company in accordance with section 1.1.B. If any assets of the Company are distributed to the Members in kind, the Capital Accounts of the Members shall be adjusted to reflect the difference between the fair market value of such assets on the date of distribution and the basis of the Company in such assets.

Article VII

Distributions of Cash

Section 7.1 The Company shall distribute to the Members from time to time all cash (regardless of the source thereof) of the Company which is not required for the operation or the reasonable working capital requirements of the Company, (such cash is sometimes referred to herein as "Cash Flow"). For purposes of this Agreement all Cash Flow allocated to the Members shall be allocated among them in the ratio in which the total Capital Contributed by each Member pursuant to Section 6.1 on the last day of each calendar month during the year bears to the total Capital Contributed of days during such month in which such a person was a member.

Section 7.2 Distributions of Cash Flow shall be made from time to time in such manner as determined by the Operating Managers.

Article VIII

Profits and Losses

Section 8.1 The Net Profits and Net Losses of the Company shall be the net profits and net losses of the Company as determined for Federal income tax purposes.

Section 8.2 The Net Profits and Net Losses of the Company and each item of income, gain, loss, deduction or credit entering into the computation thereof, shall be allocated to the Members in the same proportions that they share in distributions of Cash Flow pursuant to Section 7.1, or if there is no Cash Flow, that they would have shared if there had been Cash Flow.

Section 8.3 References herein to "Reg. Sec." are to the regulations promulgated by the United States Treasury to the Code. The terms "minimum gain", "minimum gain chargeback", "qualified income offset" and "nonrecourse deduction" are to be interpreted consistent with the definitions of such terms in Reg. Sec. 1.704-2. "Nonrecourse liability" means any liability with

respect to which no Member bears the risk of loss under Code Section 752. The following special allocations shall be made in the following order:

- A. Except as otherwise set forth in Reg. Sec. 1.704-2(f), if there is a net decrease in minimum gain, during the fiscal year of the Company, each Member, shall be specially allocated items of gross income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to that Member's share of the net decrease of minimum gain determined in accordance with Reg. Sec. 1.704-2(g). Allocations in accordance with this Section shall be made first from the disposition of Company assets subject to nonrecourse liabilities, to the extent of the minimum gain attributable to those assets, and thereafter, from a pro-rata portion of the Company's other items of income and gain for the taxable year. This Section is intended to comply with the minimum gain chargeback requirement of Reg. Sec. 1.704-2(f).
- B. Except as otherwise set forth in Reg. Sec. 1.704-2(i)(4), if there is a net decrease in a Member's nonrecourse liability minimum gain attributable to Members' nonrecourse liabilities during any fiscal year, each Member who has a share of the Member nonrecourse liability minimum gain attributable to Member nonrecourse liability shall be specially allocated items of gross income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to that Member's share of the net decrease in Members' nonrecourse debt minimum gain attributable to such Member nonrecourse debt. Allocations pursuant to this Section shall be made first from gain recognized from the disposition of Company assets subject to Member nonrecourse liabilities to the extent of Member minimum gain attributable to those assets, and thereafter, from a pro-rata portion of the Company's other items of income and gain for the fiscal year. This section is intended to comply with the minimum gain chargeback requirements of Reg. Sec. 1.704-2(i).
- C. A Member who unexpectedly receives an adjustment, allocation or distribution described in (4), (5) or (6) of Reg. Sec. 1.704-1(b)(2)(ii)(d) will be allocated items of income and gain in an amount and manner sufficient to eliminate such deficit balance as quickly as possible. An allocation shall be made pursuant to this Section and if and to the extent a Member would have a deficit in his adjusted Capital Account after all other allocations provided for in this Section 8.3 were made as if this paragraph were not in the agreement.
- D. Nonrecourse deductions shall be allocated among the Members in the same proportion in which they share the Cash Flow of the Company.
- E. Any nonrecourse deduction shall be allocated to any Member who bears the economic risk of loss with respect to the Member nonrecourse liability to which such deduction is attributable.

Section 8.4 Any Company gain or loss realized with respect to property, other than money, contributed to the Company by a Member shall be shared among the Members pursuant

to Code section 704(c) and regulations to be promulgated thereunder so as to take account of the difference between the Company basis and the fair market value of the property at the time of the contribution ("built-in gain or loss"). Such built-in gain or loss shall be allocated to the contributing Member upon the disposition of the property.

Article IX

Admission and Withdrawal of a Member

Section 9.1 A Member may transfer his interest in the Company to another person or entity only with the prior unanimous consent of the other Members either in writing or at a meeting called for such purpose. If all of the other Members do not approve of the transfer, the transferee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. The transferee shall be entitled to receive the share of profits, losses and Cash Flow or other compensation by way of income and the return of contributions to which the transferor otherwise would be entitled.

Section 9.2 The Members agree to sign such additional documents as may be required in order to admit additional Members to the Company, pursuant to section 9.1 as well as, among other things, to provide for the division of profits, losses and Cash Flow among the Members.

Section 9.3 All costs and expenses incurred by the Company in connection with the assignment of a Member's interest, including any filing fees and publishing costs and the fees and disbursements of counsel, shall be paid by the assigning Member.

Section 9.4 Each person who becomes a Member in the Company, by becoming a Member, shall and does hereby ratify and agree to be bound by the terms and conditions of this Agreement.

Article X

Termination or Dissolution of Company

Section 10.1 The Company shall be terminated prior to the date of expiration of the term as provided in Section 2.4 if (a) a majority in interest of the Members consent that the Company should be terminated and dissolved, or (b) the Company is dissolved pursuant to this Agreement.

Section 10.2 The Company shall be terminated in the event any Member (i) withdraws, resigns or is expelled from the Company; (ii) makes an assignment for the benefit of creditors, is the subject of an order for relief under Title 11 of the United States Code, files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law or regulation, files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature, seeks, consents to, or acquiesces in the appointment of a trustee, receiver or liquidator for of all or any substantial part of his properties; (iii) dies; or (iv) a judgement is entered by a court of competent jurisdiction adjudicating him incompetent to manage his person or his property.

Section 10.3 If the Company is dissolved, the owners of a majority in interest of the remaining Members may elect to reconstitute and continue the Company as a Successor Company upon the same conditions as are set forth in this Agreement. Any such election to continue the Company will not result in the creation of a new Company among the remaining Members, nor will such election require the amendment of this Agreement or the execution of an amended Agreement.

Section 10.4 Upon the termination and dissolution of the Company, the then Operating Manager, or Operating Managers, if any, or, if there is no Operating Manager, any person elected to perform such liquidation by the written consent of the owners of a majority in interest of the Members, shall proceed to the liquidation of the Company. The proceeds of such liquidation shall be applied and distributed as follows:

- A. If any assets of the Company are to be distributed in kind, such assets shall be distributed on the basis of the fair market value thereof, and any Member entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Members so entitled. The fair market value of such assets shall be determined by an independent appraiser to be selected by the Company's independent public accountants. The amount by which the fair market value of any Property to be distributed in kind to the Members exceeds or is less than the basis of such Property, shall, to the extent not otherwise recognized by the Company, be taken into account in computing Net Profits or Net Losses (and shall be allocated among the Members in accordance with Section 8.2) for purposes of crediting or charging the Capital Accounts of, and liquidating distributions to, the Members under Section 10.4.B.
- B. All distributions upon liquidation of the Company shall be distributed as follows: to each of the members, in proportion to the amounts of their respective positive Capital Accounts, as such accounts have been adjusted (i) in accordance with Section 6.5 to reflect the Net Profit or Net Loss realized or incurred upon the sale of the Company's property or assets and any deemed sale pursuant to Section 10.4.A; (ii) in accordance with Section 8.2 to reflect all Net Profits or Net Losses with respect to the year of liquidation. No member shall be liable to repay the negative amount of his Capital Account.

Section 10.5 Each of the Members shall be furnished with a statement, reviewed by the Company's independent public accountants, which shall set forth the assets and liabilities of the Company as of the date of the Company's liquidation. Upon completion of the liquidation, the Operating Manager shall execute and cause to be filed Articles of Dissolution of the Company and any and all other documents necessary with respect to termination of the Company.

Article XI

Books and Reports

Section 11.1 The Operating Managers shall cause the Company to maintain the following records:

- A. Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Company, shall be kept by the Operating Managers at the principal office of the Company. The fiscal year of the Company shall be the calendar year. The books of account of the Company shall be kept in accordance with sound accounting practices and principals applied in a consistent manner by the Company; provided, however, that all methods of accounting and treating particular transactions shall be in accordance with the methods of accounting employed for Federal income tax purposes. All determinations by the Operating Managers with respect to the treatment of any item or its allocation for Federal, state or local tax purposes shall be binding upon all the Members unless the determination is inconsistent with any express provision of this Agreement.
- B. A current list of the full name and last known mailing address of each Member set forth in alphabetical order together with the contribution and share in profits and losses of each Member; a copy of the Articles of Organization of the Limited Liability Company and any amendments thereto; a copy of the Limited Liability Company Operating Agreement and any amendments thereto; a copy of the Limited Liability Company's federal, state and local income tax returns for the three most recent fiscal years.
- C. Any Member shall have the right from time to time at his expense to have his accountants and representatives examine and/or audit the books and records of the Company and the information referred to in this Section, and the Operating Managers will make such books and records and information available for such examinations and/or audits.

Section 11.2 No value shall be placed for any purpose upon the Company name or the right to its use, or upon the goodwill of the Company or its business. Upon termination or dissolution of the Company (without reconstitution thereof) as provided in this Agreement, neither the Company name or the right to its use, nor the goodwill of the Company, shall be considered as an asset of the Company.

Section 11.3 The Operating Managers will cause to be sent to the Members within a reasonable period after the close of each year the following: (a) annual statements of the Company's gross receipts and operating expenses, and the capital accounts of each Member, prepared by the Company's independent public accountants, to be transmitted to each Member; and (b) a report to be transmitted to each Member indicating the Member's share of the Company's profit or loss for that year and the Member's allocable share of all items of income, gain, loss, deduction, and credit, for Federal income tax purposes.

Article XII

Tax Elections

Section 12.1 In the event of a transfer of a Member's interest, or upon the death of a Member, or in the event of the distribution of Company property to any party hereto, the

Company may (but need not necessarily) file an election, in accordance with Section 754 of the Code to cause the basis of the Company Property to be adjusted for Federal income tax purposes, as provided by Sections 734 and 743 of the Code.

Article XIII

Miscellaneous

Section 13.1 Any notice or other communication under this Agreement shall be in writing and shall be considered given when mailed by registered or certified mail, return receipt requested, to the parties at the following addresses (or at such other address as a party shall have previously specified by notice to the others as the address to which notice shall be given to him):

- A. If to the Company, to it in care of the Operating Managers at the address of the Company.
- B. If to the Operating Managers, to them at the address of the Company.
- C. If to any Member, to him at his address set forth on the books and records of the Company.

Section 13.2 This Agreement contains a complete statement of all of the arrangements among the parties with respect to the Company and cannot be changed or terminated orally or in any manner other than by a written agreement executed by all of the Members. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties relating to the subject matter of this Agreement which are not fully expressed in this Agreement.

Section 13.3 This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

Section 13.4 This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations of the jurisdiction in which the Company does business. If any provision of this Agreement, or the application thereof to any person or circumstance, shall for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of that provision to other persons or circumstances shall not be affected, but rather shall be enforced to the extent permitted by law.

Section 13.5 Anything hereinbefore in this Agreement to the contrary notwithstanding, all references to the Property of the Company are deemed to include the profits, losses and Cash Flow of the Property.

Section 13.6 Irrespective of the place of execution or performance, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed in the State of Delaware.

Section 13.7 The captions, headings and table of contents in this Agreement are solely for convenience of references and shall not affect its interpretation.

Section 13.8 This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall be deemed to constitute a single document.

Section 13.9 Whenever the context so requires, the male gender when used herein shall be deemed to include the female gender, the female gender shall be deemed to include the male gender, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular.

IN WITNESS WHEREOF, the Members have executed this Agreement as of the day first above set forth.

ALS Life Holdings LLC

By:

A handwritten signature in black ink, appearing to read "Mark Nordlicht", written over a horizontal line.

Name: Mark Nordlicht
Title: Managing Member

SCHEDULE A

ALS Life Holdings LLC

<u>Member's Full Name and Mailing Address</u>	<u>Percentage of Membership Interests</u>	<u>Initial Contribution</u>
ALS Capital Ventures LLC(Sole Member)	100%	\$1,000

EXHIBIT I

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

-----X	
SECURITIES AND EXCHANGE	:
COMMISSION,	:
Plaintiff,	:
-v-	:
	:
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.	:
-----X	

No. 16-cv-6848 (BMC)

**[PROPOSED] ORDER GRANTING THE RECEIVER’S MOTION FOR ENTRY
OF AN ORDER (A) APPROVING SETTLEMENT AGREEMENTS WITH (1)
CNO FINANCIAL GROUP, INC. AND RELATED PARTIES, AND (2) SENIOR
HEALTH INSURANCE COMPANY OF PENNSYLVANIA AND FUZION
ANALYTICS, INC., AND (B) APPROVING USE OF FUNDS**

On July 1, 2020, Melanie L. Cyganowski, as the duly appointed Receiver (the “**Receiver**”) of Platinum Credit Management, L.P., Platinum Partners Credit Opportunities Master Fund LP (“**PPCO**”), Platinum Partners Credit Opportunities Fund (TE) LLC (“**TE Feeder**”), Platinum Partners Credit Opportunities Fund LLC (“**US Feeder**”), Platinum Partners Credit Opportunities Fund (BL) LLC (“**Blocker**”), Platinum Partners Credit Opportunities Fund International Ltd. (“**Int’l Feeder**”), Platinum Partners Credit Opportunities Fund International (A) Ltd. (“**Int’l (A) Feeder**”), Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., and Platinum Partners Liquid Opportunity Master Fund L.P. (collectively, the “**Receivership Entities**”), previously filed a motion (Docket No. 535) (the “**Motion**”) for entry of an Order:

- approving a settlement agreement (the “**CNO Settlement Agreement**”), a copy of which is attached as **Exhibit A** to the Declaration of Melanie L. Cyganowski, as Receiver (the “**Receiver Decl.**”), dated as of July 1, 2020, between (1) the Receiver and the PPCO Receivership Entities, on one hand, and (2) CNO Financial Group, Inc., Bankers Conesco Life Insurance Company, Washington National Insurance Company, 40|86 Advisors, Inc., and BRe WNIC 2013 LTC Primary, BRe WNIC 2013 LTC Sub, BRe BCLIC Primary and BRe BCLIC Sub, as represented by Wilmington Trust, in its capacity as their former custodian (collectively, the “**CNO Parties**”), on the other hand;
- approving a settlement agreement (the “**SHIP Settlement Agreement**,” together with the CNO Settlement Agreement, collectively, the “**Settlement Agreements**”), a copy of which is attached to the Receiver Decl. as **Exhibit B**, dated as of July 1, 2020. between (1) the Receiver, on behalf of the Receivership Entities and Subsidiaries, on one hand, and (2) Senior Health Insurance Company of Pennsylvania (“**SHIP**”) and Fuzion Analytics, Inc. (collectively the “**SHIP Parties**”), on the other hand;
- authorizing the Receiver to pay \$14 million payable to SHIP in accordance with the terms of the SHIP Settlement Agreement (the “**Settlement Amount**”);
- authorizing the Receiver to use up to \$1.8 million (approximately 11.8% of the Settlement Amount) of funds from PPCO’s subsidiaries ALS Capital Ventures, LLC (“**ALS**”) and/or ALS Life Holdings LLC (“**ALS Life**”), including funds in ALS’ operating account (the “**ALS Operating Account**”) to fund the Settlement Amount, and to use funds of PPCO to fund the remainder of the Settlement Amount; and
- granting such other and further relief as the Court deems just.

In support of the Motion, the Receiver has filed a Notice of Motion, a Memorandum of Law and a Declaration of Melanie L. Cyganowski, as Receiver.

A hearing on the Motion was held on _____.

The Court has concluded that (a) approval of the Settlement Agreements is in the best interest of the Receiver, the Receivership Entities, and their estates and stakeholders, as well as the subsidiaries of PPCO; (b) payment of the Settlement Amount as requested to in the Motion is consistent with the Receiver's authority under the *Second Amended Order Appointing Receiver* entered on October 16, 2017 [Dkt. No. 276] (the "***Receivership Order***") and the operating agreements of ALS and ALS Life and appropriate; (c) the Court has jurisdiction to consider the relief requested in the Motion pursuant to, *inter alia*, the Receivership Order; and (d) notice of the Motion has been adequate and appropriate under the circumstances.

Now, after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is **GRANTED** as provided herein.
2. All objections to the relief provided for herein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled and denied on the merits.
3. The Settlement Agreements are hereby approved and the Receiver is authorized to execute and deliver all instruments and documents and take such other action as may be necessary or appropriate to implement and effectuate the transactions contemplated by the Settlement Agreement.
4. The Receiver is hereby authorized to use up to \$1.8 million (approximately 11.8% of the Settlement Amount) of funds from PPCO's subsidiaries ALS and/or ALS Life, including

funds in the ALS Operating Account to fund the Settlement Amount, and to use funds of PPCO to fund the remainder of the Settlement Amount.

5. The terms of this Order shall be binding upon the Receiver, the CNO Parties, the SHIP Parties, the subsidiaries of PPCO, ALS, ALS Life, Credit Strategies, LLC and its members, Principal Growth Strategies LLC and its members, OMNIA Ltd., PBLA ULICO 2017, and BBIL ULICO 2014, and any other person receiving actual notice of the Motion, any holder of a claim against the Receivership Entities, and any affiliates, successors, assigns of any of the foregoing.

6. This Order shall be effective and enforceable immediately upon entry.

7. This Court retains jurisdiction with respect to all matters arising from or related to the Settlement Agreements and the implementation of this Order.

Dated: _____, 2020
Brooklyn, New York

THE HON. BRIAN M. COGAN
UNITED STATES DISTRICT JUDGE
EASTERN DISTRICT OF NEW YORK

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

-----X	
SECURITIES AND EXCHANGE	:
COMMISSION,	:
Plaintiff,	:
-v-	:
	:
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.	:
-----X	

No. 16-cv-6848 (BMC)

**MEMORANDUM OF LAW IN SUPPORT OF THE RECEIVER'S MOTION FOR
ENTRY OF AN ORDER (A) APPROVING SETTLEMENT AGREEMENTS WITH
(1) CNO FINANCIAL GROUP, INC. AND RELATED PARTIES, AND (2) SENIOR
HEALTH INSURANCE COMPANY OF PENNSYLVANIA AND FUZION
ANALYTICS, INC., AND (B) APPROVING USE OF FUNDS**

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Melanie L. Cyganowski, the court-appointed equity receiver of the Receivership Entities and representative of the Receivership Entities' Subsidiaries (the "**Receiver**"),¹ respectfully submits this memorandum of law in support of her motion (the "**Motion**") for an order:

- approving a settlement agreement dated as of July 1, 2020 (the "**CNO Settlement Agreement**"), a copy of which is attached as **Exhibit A** to the Declaration of Melanie L. Cyganowski, as Receiver (the "**Receiver Decl.**") between (1) the Receiver and the PPCO Receivership Entities (together with the Receiver, the "**Platinum Plaintiffs**"), on one hand, and (2) CNO Financial Group, Inc. ("**CNO**"), Bankers Consec Life Insurance Company ("**BCLIC**"), Washington National Insurance Company ("**WNIC**"), 40|86 Advisors, Inc. ("**40|86 Advisors**," together with CNO, BCLIC and WNIC, collectively, the "**CNO Defendants**"), and BRe WNIC 2013 LTC Primary, BRe WNIC 2013 LTC Sub, BRe BCLIC Primary and BRe BCLIC Sub, as represented by Wilmington Trust, in its capacity as their former custodian (collectively, the "**Accounts**," and with the CNO Defendants, the "**CNO Parties**"), on the other hand;
- approving a settlement agreement dated as of July 1, 2020 (the "**SHIP Settlement Agreement**," together with the CNO Settlement Agreement, collectively, the "**Settlement Agreements**"), a copy of which is attached to the Receiver Decl. as **Exhibit B** between (1) the Receiver, on behalf of the Receivership Entities and Subsidiaries, on one hand, and (2) Senior Health Insurance Company of Pennsylvania ("**SHIP**") and

¹ The "**Receivership Entities**" are: Platinum Credit Management, L.P. ("**PPCO Portfolio Manager**"), Platinum Partners Credit Opportunities Master Fund LP ("**PPCO**"), Platinum Partners Credit Opportunities Fund (TE) LLC ("**TE Feeder**"), Platinum Partners Credit Opportunities Fund LLC ("**US Feeder**"), Platinum Partners Credit Opportunities Fund (BL) LLC ("**Blocker**"), Platinum Partners Credit Opportunities Fund International Ltd. ("**Int'l Feeder**") and Platinum Partners Credit Opportunities Fund International (A) Ltd. ("**Int'l (A) Feeder**"), Platinum Liquid Opportunity Management (NY) LLC, Platinum Partners Liquid Opportunity Fund (USA) L.P., Platinum Partners Liquid Opportunity Master Fund L.P. (collectively, the "**Receivership Entities**," and, with the estate created by the receivership, the "**Receivership Estate**"). The "**PPCO Receivership Entities**" are: PPCO, TE Feeder, US Feeder, Blocker, Int'l Feeder and Int'l A Feeder. The "**Subsidiaries**" are identified and defined as the "PPMF Subsidiaries" in section 2 of the SHIP Settlement Agreement (defined below).

Fuzion Analytics, Inc. (“*Fuzion*,” with SHIP, collectively the “*SHIP Parties*”), on the other hand;

- authorizing the Receiver to pay \$14 million payable to SHIP in accordance with the terms of the SHIP Settlement Agreement (the “*Settlement Amount*”);
- authorizing the Receiver to use up to approximately \$1.8 million (approximately 11.8% of the Settlement Amount) of funds from PPCO’s subsidiaries ALS Capital Ventures, LLC (“*ALS*”) and/or ALS Life Holdings LLC (“*ALS Life*”), including funds in ALS’ operating account (the “*ALS Operating Account*”) to fund a portion of the Settlement Amount, and to use funds of PPCO to fund the remainder of the Settlement Amount; and
- granting such other and further relief as the Court deems just.²

PRELIMINARY STATEMENT

One of the primary obstacles to the successful completion of the receivership and formulation of a plan of liquidation is more than \$79 million (principal amount) of secured debt (the “*Secured Debt*”) allegedly owed by PPCO to a group of secured lenders for which BAM Administrative Services, LLC (“*BAM Admin*”) is the agent for the noteholders (the “*Noteholders*”). The Secured Debt is the subject of an action (the “*SDNY Action*”) pending in the United States District Court for the Southern District of New York (Rakoff, U.S.D.J.) (the “*SDNY Court*”),³ in which the Receiver is pursuing fraudulent conveyance claims seeking avoidance of the Secured Debt and related liens and transfers, and other claims. The remaining defendants in

² The Receiver has conferred with the staff of the Securities and Exchange Commission (the “*SEC*”) before entering into the Settlement Agreements and the SEC indicated to the Receiver that it has no objection to the Receiver’s entry into those agreements or the relief requested in the Motion.

³ The SDNY Action is entitled *Cyganowski v. Beechwood Re Ltd.*, No. 18-cv-06658, and has been administratively consolidated with two other actions under the caption entitled *In re Platinum-Beechwood Litig.*, No. 18-cv-12018. References to “SDNY ECF No. ____” refer to docket entries in *In re Platinum-Beechwood Litig.*, No. 18-cv-12018.

the SDNY Action include BAM Admin, for itself and as agent for the Noteholders, SHIP, BCLIC, WNIC, Beechwood Bermuda International Ltd. (“**BBIL**”), its parent Beechwood Bermuda Ltd. (“**BBL**”), their affiliate, Beechwood Re Limited (“**BRe**”), and the Accounts.

By the Motion, the Receiver seeks approval of two settlements in which the estates of the PPCO Receivership Entities and more than sixty subsidiaries of PPCO (including the Subsidiaries) would receive, among other consideration, satisfaction of more than \$44 million of the Secured Debt (principal amount) owned by SHIP, BCLIC, WNIC and BBIL and a total of 38 proofs of claim filed by BCLIC, WNIC, SHIP and Fuzion in the Receivership in exchange for, among other consideration, a total payment of \$14 million (\$4.5 million of which will be paid into escrow and used, if needed, to indemnify PPCO for claims based on alleged Secured Debt of three other Noteholders, which Noteholders failed to file their own proofs of claim), and dismissal of her claims against the settling defendants and certain other parties.

SHIP, BCLIC, WNIC and BBIL purportedly own Secured Debt as “Lender of Record” in the following amounts:

Lender of Record	Principal Amount of Secured Debt Held as Lender of Record
SHIP	\$27,355,042.17
BCLIC	\$6,079,417.95
WNIC	\$1,642,428.50
BBIL	\$9,532,669.40
TOTAL	\$44,609,558.02

The remaining \$35.2 million (principal amount) of the Secured Debt is purportedly held by four Noteholders, one of which, Principal Growth Strategies (“**PGS**”), which is owned 45% by PPCO and 55% by Platinum Partners Value Arbitrage Fund, LP (“**PPVA**”), holds \$30,650,512.27 of the Secured Debt (principal amount). The Receiver expects to obtain the release of the Secured Debt held by PGS in a separate agreement with PPVA that is in the process of being negotiated. As for the remaining \$4.5 million (principal amount) of the Secured Debt, as part of the SHIP

Settlement Agreement the Receivership Estate is being indemnified by the SHIP Parties for that amount, with the funds for the indemnity obligation to be paid into escrow as part of the Settlement Amount.

The Receivership Entities would also exchange general releases with the CNO Parties and the SHIP Parties, BBIL, BRe, BBL and the other Beechwood Parties (as defined below) other than BAM Admin in its capacity as “Agent” for the Noteholders (subject to certain exceptions described below). SHIP, BCLIC, WNIC, BBIL and BAM Admin would execute documents that would permit the release of more than \$6.3 million currently being held in an escrow account containing the proceeds of the sale of certain life insurance policies by ALS and/or ALS Life (the “**ALS Escrow Account**”), enabling the Receiver to use and/or distribute those funds as appropriate.

Because the Settlement Agreements will allow for the release of more than \$44 million (principal value) of Secured Debt and 38 proofs of claim and release the funds in the ALS Escrow Account for a total payment of \$14 million (\$4.5 million of which can be used to indemnify PPCO against other Noteholder claims), the Receiver has determined in her business judgment that the settlements are equitable, reasonable and in the best interests of the Receivership Estate.

The Court should also authorize the Receiver to fund up to approximately \$1.8 million (approximately 11.8%) of the Settlement Amount from funds of ALS and/or its wholly-owned subsidiary, ALS Life. Use of ALS’ funds for the Settlement Amount is within the Receiver’s authority under the *Second Amended Order Appointing Receiver* entered on October 16, 2017 [ECF No. 276] (the “**Receivership Order**”). The Settlement Agreements will benefit ALS and ALS Life by releasing the liens (except for the PGS lien and the amounts subject to a funded indemnity escrow) on \$12 million of cash remaining in the ALS Escrow Account and the ALS Operating Account (after the disbursement of approximately \$1.8 million from those accounts) from SHIP’s and BBIL’s purported liens against the ALS Funds, and from SHIP, BBIL, BCLIC

and WNIC's purported claims against ALS on its guarantees of \$44 million of the Secured Debt. ALS' contribution of 11.8% of the Settlement Amount is equitable because, as of December 19, 2016, the date the Receivership Entities were placed in receivership (the "***Receivership Date***"), ALS' assets totaled approximately 11.8% of the total encumbered assets of PPCO and ALS. The percentage of the Settlement Amount that ALS will be contributing is thus proportionate to the benefit (relative to the Receivership's) that ALS will be receiving through the settlements. Thus, this portion of the Motion should also be granted.

FACTS

A. The Relevant Parties

Melanie L. Cyganowski is the Receiver for two groups of hedge funds referred to as the "***PPCO Funds***" and the "***PPLO Funds***." The PPCO Funds include the following Receivership Entities: PPCO (the master fund, which made investments); four feeder funds that accepted investments from investors – US Feeder, TE Feeder, Int'l Feeder, and Int'l (A) Feeder – and Blocker (established for tax purposes). Another Receivership Entity, the PPCO Funds' portfolio manager, PPCO Portfolio Manager, managed their investments.

The PPLO Funds include two Receivership Entities: Platinum Partners Liquid Opportunity Master Fund L.P. and Platinum Partners Liquid Opportunity Fund (USA) L.P. Platinum Liquid Opportunity Management (NY) LLC, also a Receivership Entity, is their portfolio manager.

PPCO has more than 60 direct and indirect subsidiaries. The Subsidiaries include, among others, ALS and ALS Life and their parent, Credit Strategies LLC ("***Credit Strategies***"). ALS and ALS Life were formerly in the business of purchasing, paying premiums on, and collecting benefits on life insurance policies issued to insureds.

PPCO is the sole and managing member of Credit Strategies, which owns approximately 65% of the membership interests in ALS. ALS is the sole member of ALS Life.

Pursuant to a February 17, 2017 Escrow Agreement (the “**ALS Escrow Agreement**”) among ALS and ALS Life (acting through Bart M. Schwartz), Vida Longevity Fund, LP (“Purchaser”) and Mills, Potoczak & Co. (the “**ALS Escrow Agent**”) proceeds from the sale of certain life insurance policies sold by ALS and ALS Life to Purchaser are being held in escrow by the ALS Escrow Agent. A February 17, 2017 letter (the “**Escrow Direction Letter**”) from Credit Strategies, ALS and ALS Life to BAM Admin sets forth the terms under which the funds being held pursuant to the Escrow Agreement in the amount of \$6,365,409.11 (the “**Remaining Escrow Proceeds**”) will be released. Pursuant to the Escrow Direction Letter, ALS, ALS Life and Credit Strategies agreed that the Remaining Escrow Proceeds will remain with the ALS Escrow Agent until ALS, ALS Life, Credit Strategies, SHIP, BCLIC, WNIC and BBIL all agree in writing to the disbursement of the Remaining Escrow Proceeds pursuant to § 5 of the ALS Escrow Agreement.

PPCO owns at least 45% of the membership interests in PGS, the other member of which is PPVA, which is in liquidation in the Cayman Islands and under the control of court-appointed joint official liquidators (the “**JOLs**”).

SHIP is an insurance company based in Indiana that was formerly in the business of writing long-term care insurance policies and is currently in receivership. Fuzion is an affiliate of SHIP.

BCLIC and WNIC are insurance companies based in Indiana that wrote long-term care insurance; CNO is their parent; 40|86 Advisors is their affiliate.

The final group of parties relevant to this matter – referred to herein as the “**Beechwood Parties**” – include a web of domestic and offshore entities that were owned by a series of trusts, the beneficiaries of which include Moshe Feuer (“**Feuer**”), Scott Taylor (“**Taylor**”) and various Platinum principals and/or their family members and associates, and were purportedly involved in the business reinsurance and investment advisory businesses, and their principals, Feuer and Taylor. The “**Beechwood Parties**” are: BBIL, BRe, BBL, Beechwood Capital Group, LLC

(“**BCG**”), Beechwood Re Investments, LLC (“**BRILLC**”), B Asset Manager LP (“**BAM I**”), BAM Admin, B Asset Manager II (“**BAM II**”), Beechwood Re Holdings Inc. (“**BReHo**”), Feuer and Taylor. The Beechwood Parties are responsible for bringing PPCO and PPVA together with the SHIP Parties and the CNO Parties, and were or are defendants in multiple litigations and/or arbitrations in which SHIP, BCLIC, WNIC and PPVA assert claims against various Beechwood Parties. *See, e.g., Senior Health Insurance Company of Pennsylvania v. Beechwood Re Ltd., et al.*, No. 18-cv-06658 (S.D.N.Y.); *Trott v. Platinum Management (NY) LLC, et al.*, 18-cv-10936 (S.D.N.Y.).

B. The December 2015 Transaction

On or about December 23, 2015, PPCO issued a \$15.5 million “Delayed Draw Demand Note” pursuant to which SHIP made secured loans to PPCO (the “**SHIP Note**”). SHIP disbursed \$14.2 million under the SHIP Note to purchase at face value \$9.2 million of notes issued by Desert Hawk Gold Corp., a severely distressed company, and to discharge at face value \$5.0 million of notes in LC Energy Operations LLC, another severely distressed company. The SHIP Note was secured by a December 23, 2015 Master Security Agreement (the “**MSA**”), which granted BAM Admin, as agent for SHIP, security interests in substantially all of the assets of PPCO and of 35 of the Subsidiaries, including ALS. On December 15, 2015, BAM Admin, as “Agent,” filed a UCC-1 Financing Statement with the Delaware Secretary of State as to PPCO. On or about January 20, 2016, PPCO issued an \$18.5 million “Amended and Restated Delayed Draw Demand Note” (the “**A&R SHIP Note**”), which replaced the SHIP Note, pursuant to which SHIP disbursed an additional \$2 million to PPCO. The MSA remained in place.

C. The March 2016 Transaction

On March 21, 2016, PPCO and BAM Admin entered into a Note Purchase Agreement (the “**NPA**”) pursuant to which PPCO issued notes to the following secured lenders (the “**Original**

Noteholders”) in the following amounts (the “*PPCO Notes*”):

PPCO Note	Purchaser/Noteholder	Principal Amount of Note
1	SHIP	\$42,963,949.04 (\$123,190.55 consisting of accrued interest)
2	BRe BCLIC Primary	\$10,000,000
3	BRe BCLIC Sub	\$500,000
4	BRe WNIC 2013 LTC Primary	\$14,989,677.78
5	BRe WNIC 2013 LTC Sub	\$700,000
Total		\$69,153,626.82

The A&R SHIP Note was rolled into PPCO Note 1.

The additional funds disbursed under the PPCO Notes were used to purchase notes issued by Northstar Offshore GOM Holdings LLC – a distressed company on the verge of bankruptcy – from BRe WNIC 2013 LTC Primary and SHIP, at face value for \$52.8 million.

PPCO and BAM Admin, as agent, simultaneously entered into an Amended and Restated Master Security Agreement dated March 21, 2016 (the “*A&R MSA*”), in which PPCO granted BAM Admin, as agent, a security interest in substantially all of PPCO’s assets. In a March 21, 2016 “Subsidiary Guaranty” (the “*A&R Subsidiary Guaranty*”), thirty-six “Guarantors,” all of which were Subsidiaries, including ALS, guaranteed the amounts due under the PPCO Notes.

D. Ownership of the PPCO Notes as of September 30, 2019

At various times after March 21, 2016, the Original Noteholders and/or their assignees or participants, entered into assignment agreements, participation agreements and/or elevation agreements (which elevated participations into assignments) with respect to specified portions of the PPCO Notes, and, in some cases, the assignees or participants entered into further assignments.

A pdf copy of a spreadsheet entitled “PPMF Debt Registry” dated as of September 30, 2019 (the “*Debt Registry*”), which the Receiver’s attorneys received from SHIP’s attorneys, is

attached as **Exhibit C** to the Receiver Decl. The Debt Registry SHIP provided was provided to them by BAM Admin, which purportedly maintained the Debt Registry pursuant to Section 10.5(b) of the NPA. According to the Debt Registry, as of September 30, 2019, the following entities owned, as “Lender of Record,” Secured Debt issued by PPCO with the following amounts of outstanding principal and accrued interest⁴:

Lender of Record	Principal Amount of Secured Debt Held as Lender of Record	Accrued Interest	Definition
SHIP	\$27,355,042.17	\$6,772,942.93	“SHIP Secured Debt”
BCLIC	\$6,079,417.95	\$1,530,715.27	“BCLIC Secured Debt”
WNIC	\$1,642,428.50	\$413,541.34	“WNIC Secured Debt”
BBIL	\$9,532,669.40	\$2,486,508.13	“BBIL Secured Debt”
PBLA ULICO 2017	\$339,261.21	\$79,668.15	“PBLA ULICO 2017 Secured Debt”
BBIL ULICO 2014	\$1,530,543.58	\$397,883.98	“BBIL ULICO 2014 Secured Debt”
OMNIA Ltd.	\$2,660,350.89	\$777,163.67	“OMNIA Secured Debt”
PGS	\$30,650,512.27	\$5,951,657.98	“PGS Secured Debt”
TOTAL	\$79,790,255.97	\$18,410,101.46	

According to the Debt Registry, SHIP, BCLIC, WNIC and BBIL collectively owned, as “Lender of Record,” Secured Debt with outstanding principal of \$44,609,588.03, and the other Noteholders owned, as “Lender of Record,” the remaining \$35,180,667.94 of Secured Debt.

E. The Receivership and the Proofs of Claim

On the Receivership Date, this Court placed certain of the Receivership Entities in receivership (the “*Receivership*”) and appointed Bart M. Schwartz as receiver for the original Receivership Entities. On July 6, 2017, Melanie L. Cyganowski replaced Mr. Schwartz as receiver. ECF No. 276.⁵ The Court later added three of the Receivership Entities to the

⁴ The principal grew from approximately \$69.2 million to approximately \$79.8 million as a result of recapitalization of interest.

⁵ References to “ECF No. ____” refer to docket entries in this case.

Receivership. ECF No. 297.

The deadline for filing proofs of claim in the Receivership was March 29, 2019. On March 26, 2019, BCLIC filed nine proofs of claim against certain of the Receivership Entities asserting unsecured claims in amounts ranging from \$13 to \$45 million, which were assigned claim nos. 59-67 (the “*BCLIC Proofs of Claim*”). On March 26, 2019, WNIC filed nine proofs of claim against the same Receivership Entities asserting unsecured claims in amounts ranging from \$180 to \$275 million, which were assigned claim nos. 127-135 (the “*WNIC Proofs of Claim*”).

On March 28, 2019, BAM Admin filed a proof of claim against PPCO asserting a secured claim against PPCO for approximately \$95 million, as agent for all of the Noteholders, which was assigned claim no. 145 (the “*BAM Proof of Claim*”). (The portions of the BAM Proof of Claim asserted on behalf of BCLIC, WNIC, SHIP and BBIL are referred to, respectively, as the “*BAM-BCLIC Proof of Claim*,” the “*BAM-WNIC Proof of Claim*,” the “*BAM-SHIP Proof of Claim*” and the “*BAM-BBIL Proof of Claim*.”)

On March 29, 2019, SHIP filed ten proofs of claim asserting secured claims against the Receivership Entities for \$34,427,980.86 and unsecured claims in unspecified amounts, which were assigned claim nos. 247-49, 253-58 and 326 (the “*SHIP Proofs of Claim*”). On March 29, 2019, Fuzion filed ten proofs of claim asserting “[p]otential [c]laims” in unspecified amounts against the Receivership Entities, which were assigned claim nos. 237-46 (the “*Fuzion Proofs of Claim*”).

F. The Receiver’s Investigation of the December 2015 and March 2016 Transactions

Under the Receivership Order, the Receiver is authorized and required to investigate the Receivership Entities’ financial and business affairs and institute such actions and proceedings as she deems necessary and appropriate. Receivership Order, ¶ 35. The Receiver and her team, including attorneys at Otterbourg PC and financial advisors at Goldin Associates, LLC, have collectively spent thousands of hours investigating the financial and business affairs of the

Receivership Entities. The Receiver's team analyzed hundreds of thousands of documents (including emails) and thousands of pages of trial testimony from the criminal prosecutions of certain Platinum insiders and ran thousands of searches of millions of pages of electronically stored information. Counsel researched relevant case law regarding claims of the Receivership Estate. The investigation required the development of viable damage models and causation theories regarding potential claims of the Receivership Estate. Investigation and prosecution of those potential claims also required hundreds of hours of investigation and analysis of the structure and transactions of the complex web of Platinum entities, and the transactions, interrelationships and communications among the Platinum entities and their creditors and investors.

G. The SDNY Action

As a result of her investigation, the Receiver concluded, among other things, that the notes, note purchase agreement, security agreements, assignments and related transactions in December 2015 and March 2016 transferred tens of millions of dollars of value from PPCO to SHIP, the Accounts (as proxies of BCLIC and WNIC), BBIL and BRe by ridding the four Accounts (as proxies for BCLIC and WNIC), SHIP, BBIL (in part as a proxy for other entities) and BRe of notes issued by three distressed companies, which had little to no chance of performing, and a receivable from an equally financially-precarious PPVA, while leaving the Receivership Entities and their portfolio companies saddled with \$69.2 million of debt secured by liens against all of their assets. The CNO Parties and the SHIP Parties have disputed these conclusions.

On December 19, 2018, the Receiver commenced the SDNY Action against, among other defendants, the CNO Parties, the SHIP Parties, BAM Admin, as agent and for itself, and various Beechwood Entities. On March 29, 2019, the Receiver filed a First Amended Complaint in the SDNY Action (the "**FAC**"), asserting 19 causes of action against 21 defendants, for alleged violations of the Racketeer Influenced and Corrupt Organizations Act ("**RICO**") and the Securities

Exchange Act, aiding and abetting breach of fiduciary duty, aiding and abetting fraud, constructive and actual fraudulent conveyance under the N.Y. Debtor & Creditor Law (“*NYDCL*”), unjust enrichment and declaratory judgment. The Receiver’s claims under the NYDCL §§ 273-78 allege that the notes, note purchase agreement, security agreements, assignments and related transactions in December 2015 and March 2016 were actually and constructively fraudulent under the NYDCL because they were designed to transfer, and did transfer, tens of millions of dollars of value from PPCO and the Subsidiaries to SHIP, the Accounts (as proxies of BCLIC and WNIC), BBIL, BRe and others in the manner described above. The Receiver has asserted claims against BAM Admin, as agent for all Noteholders, which include, in addition to the Original Noteholders, BBIL, PGS, PBLA ULICO 2017, BBIL ULICO 2014 and Omnia Ltd., all of which are subsequent transferees of the initial transfers. Her claims for unjust enrichment, declaratory judgment, and aiding and abetting breach of fiduciary duty and fraud arise, in part, out of those transactions.

In a “bottom-line” Order issued on August 18, 2019 (the “*Bottom Line Order*”), and an Opinion and Order issued on October 7, 2019 (the “*Opinion and Order*”), the SDNY Court granted motions to dismiss all of the Receiver’s claims against CNO, 40|86 Advisors, Fuzion, BRILLC, BAM I, BAM II, BReHo, Feuer and Taylor, and dismissed some of the claims against other remaining defendants. SDNY Action ECF No. 380. The following claims remained pending:

DEFENDANT	REMAINING CLAIMS
BRe	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
BBIL	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
BBL	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
BAM Admin	aiding and abetting breach of fiduciary duty, aiding and abetting fraud, NYDCL (as agent), declaratory judgment (as agent)
BCLIC	NYDCL, unjust enrichment, declaratory judgment
WNIC	NYDCL, unjust enrichment, declaratory judgment
SHIP	NYDCL, unjust enrichment, declaratory judgment
the Accounts	RICO, securities fraud, aiding and abetting breach of fiduciary duty, aiding and abetting fraud, NYDCL, unjust enrichment, declaratory judgment

PB Investment Holdings Ltd. (“ <i>PBIHL</i> ”)	aiding and abetting breach of fiduciary duty, aiding and abetting fraud
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The Bottom-Line Order and the Opinion and Order did not dismiss any of the Receiver’s claims under the NYDCL, which remain pending against BCLIC, WNIC, SHIP and BAM Admin, as agent for all Noteholders. After the issuance of the Bottom-Line Order and the commencement of discovery, the Receiver began extensive good-faith, arm’s-length negotiations with the CNO Parties. Those efforts led to an agreement in principle with the CNO Parties on November 1, 2019, and execution of the CNO Settlement Agreement on July 1, 2020.

After the close of discovery, which included the production of millions of documents and dozens of depositions, on February 14 and 15, 2020, SHIP, PBIHL, BAM Admin, BBIL and BBL filed Motions for Summary Judgment seeking dismissal of all claims against them in the FAC. On February 14, 2020, the Receiver filed a motion for partial summary judgment against SHIP seeking a ruling that certain of the Beechwood Parties were agents for SHIP and any knowledge of those Beechwood Parties should be imputed to SHIP. Those Motions were fully briefed. Oral argument was held on PBIHL’s Motion for Summary Judgment on April 7, 2020. On April 15, 2018 (SDNY Action ECF No. 528), the SDNY Court granted PBIHL’s Motion for Summary Judgment.

On April 6, 2020, on the eve of oral argument on the other motions for summary judgment, the Receiver and SHIP’s special deputy rehabilitator executed a term sheet for a settlement between the Receiver and SHIP. In addition to the direct agreements between the Receiver and SHIP, SHIP was required to “deliver” certain agreements from the Beechwood Parties, including, for example, a release by Beechwood of certain liens, claims and debt against PPCO. The SDNY Court adjourned the hearing on the motions for summary judgment filed by SHIP, BAM Admin, BBIL and BBL to June 18, 2020. At the parties’ request, the SDNY Court thereafter cancelled that oral argument, but stated by minute order that, if the parties did not fully settle by July 1, 2020,

at 5:00 p.m., then the SDNY Court would render its decisions on the pending motions.

H. The Settlement Agreements

The proposed Settlement Agreements are the culmination of years and, collectively, thousands of hours of analysis, litigation and negotiation by the Receiver and her team. Each was negotiated and entered into as a result of arm's-length and hard-fought negotiation. Below are summaries of the provisions of both agreements. Both summaries are qualified by reference to the specific terms in the Settlement Agreements. (*See* Exhibits A and B to the Receiver Decl.). Capitalized terms not defined herein have the meanings give to them in the Settlement Agreements.

1. The CNO Settlement Agreement

The CNO Settlement Agreement includes the following terms, among others:

Issue	Terms
Prior Approval of this Court	The Agreement is subject to, and will not become effective unless and until a final, non-appealable order is entered by this Court approving it.
Mutual Releases	The Agreement provides for mutual releases between (i) the Platinum Plaintiffs and their subsidiaries, and (ii) the CNO Parties, with limited exceptions. As part of these releases, BCLIC and WNIC will release PPCO and the Subsidiaries from the BCLIC Secured Debt and the WNIC Secured Debt (\$7,721,846.45 of principal and \$1,944,256.61 of accrued interest as of September 30, 2019).
Allowance of General Unsecured Claim	The Receivership Entities will allow the CNO Defendants a general unsecured, non-priority claim against the Receivership Estate in the total amount of \$1,000,000 (the " <i>Allowed Claim</i> ").
Withdrawal of Proofs of Claim	The BCLIC Proofs of Claim and the WNIC Proofs of Claim will be disallowed and expunged except as to the Allowed Claim. BCLIC and WNIC will instruct BAM Admin to withdraw the BAM-BCLIC Proof of Claim and the BAM-WNIC Proof of Claim with prejudice.
Stipulation of Dismissal with Prejudice	The parties will execute a stipulation of dismissal with prejudice in which the Receiver will dismiss her claims against the CNO Parties with prejudice and without costs against any party.
Release of Claims to Remaining Escrow Proceeds	BCLIC and WNIC will release any and all right, title, claim and interest that they assert with respect to the Remaining Escrow Proceeds (approximately \$6.3 million) and execute related documents reasonably requested by the Receiver and/or the ALS Escrow Agent.
Venue and Choice	The Parties consent and submit to the exclusive jurisdiction of this Court

of Law	in actions or proceedings relating to the Agreement and that New York law will govern disputes arising from the Agreement.
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2. The SHIP Settlement Agreement

The SHIP Settlement Agreement includes the following terms, among others:

Issue	Terms
Conditions Precedent	The Agreement and the settlement provided for therein are conditioned upon the occurrence of each of the following events: (a) the execution of the SHIP-Beechwood Agreement (as defined below) granting SHIP each of the Beechwood Deliverables (as defined below); and (b) this Court shall have entered an order (in a form and substance mutually acceptable to the Parties) approving the Agreement (the “ <i>Approval Order</i> ”). The “Beechwood Deliverables” consist of the following interests and/or deliverables to be acquired by SHIP by one or more separate agreement(s) with the Beechwood Parties (the “ <i>SHIP-Beechwood Agreement</i> ”): (i) acquisition by SHIP of the Beechwood Parties’ rights, title and interests of in, to and under the NPA, PPCO Notes, MSA, Ratification Agreement, A&R MSA, Subsidiary Guaranty, A&R Subsidiary Guaranty, UCC-1s and Proofs of Claim, including, but not limited to, the BBIL Secured Debt and except for any rights, title or interest in, to and under the Loan Documents held by BAM Admin, solely in its capacity as agent (collectively, the “ <i>SHIP Acquired Interests</i> ”), which will then be covered by the SHIP Parties’ releases and covenants to sue described below; (ii) general releases executed by the Beechwood Parties of any and all claims or equity interests against the Receivership Entities or the Subsidiaries (other than held by BAM Admin, as agent); (iii) documentation executed by BBIL and delivered to the Receiver effecting BBIL’s release of any entitlement to any of the Remaining ALS Escrow Proceeds, and to the release from escrow of the Remaining ALS Escrow Proceeds in accordance with the Receiver’s directions; (iv) documentation executed by BAM Admin to secure the release of the ALS Escrow Proceeds; (v) the Beechwood Parties’ signatures on a stipulation of dismissal (A) dismissing the Receiver’s claims against BAM, as agent without prejudice or costs against any party and with a waiver of costs under Fed. R. Civ. P. 41(d), and (B) dismissing with prejudice the Receiver’s claims against BAM Admin in its own right and the other Beechwood Parties, without costs or attorneys’ fees against any party. ⁶
Mutual Releases between the Receiver and the SHIP Parties	The Agreement provides that the Receiver, on behalf of the Receivership Entities and the Subsidiaries other than PGS, on one hand, and SHIP, on the other hand, will exchange general releases of all secured and unsecured claims (including equity interests). In particular, (a) SHIP will release

⁶ Because the Receiver will not be entering into a direct agreement with the Beechwood Parties, the SHIP Settlement Agreement requires SHIP to secure the Beechwood Deliverables from the Beechwood Parties.

	PPCO and the PPCO Subsidiaries (which do not include PGS) from the SHIP Secured Debt (\$27,355,042.17 in principal and \$6,772,942.93 of interest as of September 30, 2019); and (b) SHIP will either (i) purchase from BBIL and then release and discharge the BBIL Secured Debt (\$9,532,669.40 in principal and \$1,407,568.40 of interest as of September 30, 2019), as to PPCO and the Subsidiaries other than PGS, or (ii) cause BBIL to release and discharge the BBIL Secured Debt.
Withdrawal of Proofs of Claim	SHIP and Fuzion will withdraw, with prejudice, the ten SHIP Proofs of Claim and the ten Fuzion Proofs of Claim and SHIP and Fuzion will instruct BAM Admin to withdraw the BAM-SHIP Proof of Claim and the BAM-BBIL Proof of Claim with prejudice.
Payment of \$14 Million by PPCO	The Receiver will pay the \$14 million Settlement Amount as follows: (a) \$9,469,844.32 to SHIP; and (b) \$4,530,155.68 (the “ <i>Indemnity Escrow Amount</i> ”) to the “Indemnity Escrow Agent.”
Indemnification of Claims Based on Secured Debt Owned by PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA	SHIP will indemnify and hold the PPCO Parties harmless against all expenses, losses, claims, proofs of claim, damages, suits, proceedings and liabilities, including, without limitation, reasonable attorneys’ fees and expenses, arising from the PBLA ULICO 2017 Secured Debt, the BBIL ULICO 2014 Secured Debt and/or the OMNIA Secured Debt, up to a maximum of the Indemnity Escrow Amount of \$4,530,155.68, which is the total alleged outstanding principal on that Secured Debt.
Release of Funds in ALS Escrow Account	SHIP will release, and obtain releases from BBIL for, any claims to the funds in the ALS Escrow Account. SHIP will deliver, and cause BBIL and BAM Admin to deliver, appropriate documentation designed to allow the release of the Remaining Escrow Proceeds.
Stipulation of Dismissal with Prejudice in Favor of SHIP	The Receiver will enter into a stipulation of dismissal with prejudice with SHIP dismissing her claims against SHIP in the SDNY Action with prejudice, without costs or attorneys’ fees as to any party.
Delaware Litigation	On June 7, 2019, PGS filed a complaint in the Delaware Chancery Court (Case No. 2019-0431) against numerous defendants, including SHIP, certain Beechwood Parties, and others asserting certain claims relating to PGS’ ownership of a promissory note convertible into 95% of the common equity of energy reseller Agera Energy (the “ <i>DE Action</i> ”). The DE Action is unaffected by the releases in the Agreement, except that the PPCO Party Releasors shall not directly assert claims against the SHIP Party Releasees, and the SHIP Party Releasors shall not directly assert claims against the PPCO Party Releasees (who do not include PGS) in the DE Action. The Agreement does not bar the SHIP Party Releasors from asserting claims or defenses against any party to the DE Action.
Stipulation of Dismissal with Prejudice in Favor of BBIL, BBL and BRe	The Receiver will enter into a stipulation dismissal with prejudice with BBIL, BBL and BRe of her claims against those parties with prejudice.

Stipulation of Dismissal without Prejudice in favor of BAM Admin, as agent	Subject to approval of the SDNY Court, the Receiver will enter into a stipulation of dismissal without prejudice with BAM Admin dismissing her claims against BAM Admin, as agent, without prejudice, without costs against any party, and BAM Admin will waive any right to recover costs under Fed. R. Civ. P. 41(d) if such claims are re-filed.
Venue and Choice of Law	The Parties consent and submit to the exclusive jurisdiction of this Court over any actions or proceedings relating to the enforcement or interpretation of the Settlement Agreement and agree that New York law will govern claims and disputes arising from the Agreement.

I. The Receiver's Plan for Resolving Secured Debt Held by Other Noteholders

All of the Secured Debt, other than the PGS Secured Debt (principal amount \$30,650,512.27), the PBLA ULICO 2017 Secured Debt (principal amount \$339,261.21), the BBIL ULICO 2014 Secured Debt (principal amount \$1,530,543.58) and the OMNIA Secured Debt (principal amount \$2,660,350.89), will be discharged by the Settlement Agreements. The Receiver plans to seek to eliminate the remaining Secured Debt in the manner described below.

The PGS Secured Debt: Prior to the Receivership Date, PPCO and PPVA entered into numerous transactions with each other. They hold a joint investment in PGS, approximately 55% of which is owned by PPVA and 45% of which is owned by PPCO. PGS is “Lender of Record” for Secured Debt with outstanding principal of \$30,650,512.27. The Receiver is currently in advanced negotiations with the JOLs to disentangle PPVA’s and PPCO’s interests and resolve the claims between them.

The PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA Secured Debt: The remaining Secured Debt is allegedly owned by PBLA ULICO 2017, BBIL ULICO 2014 and OMNIA Ltd, which collectively are listed as holders of “Lender of Record” Secured Debt with outstanding principal of \$4,530,155.68 on the Debt Registry provided by BAM Admin. The SHIP Settlement Agreement provides that the SHIP Parties will indemnify the Receiver for up to that amount, with the funds for the indemnity obligation to be paid into escrow as part of the Settlement

Amount. The Receiver anticipates that this should be sufficient to discharge the Secured Debt owned by these entities. The Receiver expects to work with SHIP to develop a strategy for resolving the remaining Secured Debt in the Receivership.

J. The Receiver's Authority to Enter into the Settlement Agreements

The Receivership Order grants the Receiver broad authority, including the authority to compromise or adjust actions or proceedings such as the SDNY Action and proofs of claim.

Paragraph 34 of the Receivership Order provides:

Subject to the requirement, in Section VII above, that leave of this Court is required to resume or commence certain litigation, the Receiver is authorized, empowered and directed to investigate, prosecute, defend, intervene in or otherwise participate in, *compromise, and/or adjust actions in any state, federal or foreign court or proceeding of any kind as may in the Receiver's discretion, be advisable or proper to recover and/or conserve Receivership Property*. [Emphasis added.]

Because the SHIP Settlement Agreement and the CNO Settlement Agreement involve the compromise and adjustment of actions and proceedings, paragraph 34 grants the Receiver discretion to compromise the SDNY Action and to compromise and adjust the BCLIC Claims, the WNIC Claims, the SHIP Claims, the Fuzion Claims and the BAM Admin Claim.

Paragraph 28 of the Receivership Order provides:

The Receiver may, *without further Order of this Court, transfer, compromise, or otherwise dispose of Receivership Property* in the ordinary course of business of the Receivership Entities' orderly wind down, on terms and in the manner the Receiver deems most beneficial to the Receivership Estate. [Emphasis added.]

The Secured Debt is one of the primary obstacles to the successful completion of the Receivership and formulation of a plan of liquidation. Because the Settlement Agreements are the first step in the Receiver's plan to eliminate all Secured Debt of the Receivership Entities, so that funds can be available for a distribution to unsecured creditors and investors, they will further an orderly wind down of the Receivership Estate on terms most beneficial to the Receivership Estate. Consequently, paragraph 28 also gives the Receiver the right to enter into the Settlement

Agreements, and transfer property and compromise claims in connection therewith, “without further Order of this Court.”

The Receivership Order defines “Receivership Property” to include “all property interests of the Receivership Entities, including, but not limited to, monies ... securities, ... goods, chattels, ... claims, rights and other assets, together with all rents, profits, dividends, interest or other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly.” Receivership Order, ECF No. 276, ¶ 6(A). Thus, Receivership Property includes not only assets of PPCO, but also of the Subsidiaries.

In the SDNY Action, Judge Rakoff ruled, under this definition, that the assets of any of the Subsidiaries that are majority owned indirectly by PPCO are “Receivership Property”:

Pursuant to the Receivership Order, the Receiver has the “right to sue for and collect ... from third parties all Receivership Property,” which includes the guarantee interests granted by the PPCO Subsidiaries.... This is because “[e]ach of the [PPCO Subsidiaries] is majority owned by PPCO, with ultimate corporate authority belonging to PPCO,” and the “Receivership Property” is defined as “all property interests of the Receivership Entities, including, but not limited to, monies ... claims, rights and other assets, together with all ... other income attributable thereto, of whatever kind, which the Receivership Entities own, possess, have a beneficial interest in, or control directly or indirectly.”

In re Platinum-Beechwood Litig., 427 F. Supp. 3d 395, 455 (S.D.N.Y. 2019).

Consequently, the Receiver is permitted to compromise claims and transfer property of PPCO and of the Subsidiaries that are majority owned by PPCO. In particular, both ALS and ALS Life, which are funding part of the Settlement Amount, are majority-owned by PPCO, and PPCO has the power to cause them to act, because:

- PPCO is the sole member of Credit Strategies. *See* Amended and Restated Limited Liability Company Agreement of Credit Strategies, LLC (the “**CS LLC Agreement**”), **Exhibit D** to the Receiver Decl., § 3. As such, PPCO “manage[s] the Company” and has “the sole power and authority to take any and all actions necessary or convenient to or for the furtherance of the purposes of the Company set forth in [the CS LLC] Agreement” (CS LLC Agreement, Exhibit D to the Receiver Decl., § 4).

- The Receivership's books and records indicate that Credit Strategies, in turn, owns 65% of the membership interests in, and at all times since August 19, 2014 has been the sole "Manager" of ALS. (ALS Capital Ventures LLC Operating Agreement (the "*ALS OA*"), Exhibit E to the Receiver Decl., § 5.01; First Amendment to Operating Agreement of ALS Capital Ventures LLC, Exhibit F to the Receiver Decl., § 6; ALS Capital Ventures, LLC Written Consent of the Manager to Action Taken Without a Meeting, Exhibit G to the Receiver Decl., at 1.) The ALS OA provides that "[t]he powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Manager," and authorizes the manager "to act for or on behalf of the Company, to do any act that would be binding on the Company or incur any expenditures on behalf of the Company." (ALS OA, Exhibit E to the Receiver Decl., § 5.01.)
- ALS, in turn, is the "Sole Member" and "Operating Manager[]" of ALS Life, in which "Management of the Company [is] vested," who "solely and exclusively" control the conduct of its business, and "have and may exercise on behalf of the Company all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes, business and objectives of the Company...." (Operating Agreement of ALS Life, Exhibit H to the Receiver Decl., §§ 5.1, 5.4, p. 15 & Schedule 1.)
- In recognition of these powers on the part of PPCO, this Court has approved sales of insurance policies held by ALS and ALS Life during the Receivership.

Because the assets and claims of PPCO and the Subsidiaries which it majority owns are all "Receivership Property," the Receiver has the authority to compromise claims and transfers. This includes the Receiver's use of up to approximately \$1.8 million of ALS funds (approximately 11.8%, of the Settlement Amount) and at least \$12,353,437.38 (or 88.2% of the Settlement Amount) of PPCO funds for the Settlement Amount.

The Receiver is also permitted to take these actions under paragraph 6(G) of the Receivership Order, which permits her to "take such action as necessary and appropriate for the preservation of Receivership Property" If the Receiver is unsuccessful in avoiding the BCLIC Secured Debt, the WNIC Secured Debt, the SHIP Secured Debt, and the BBIL Secured Debt in the SDNY Action, then all of the assets of the Receivership Estate, which are worth less than the \$44 million of outstanding principal amount of the Secured Debt owned by those creditors, will

likely be consumed by the Secured Debt, leaving nothing for unsecured creditors and investors. Consequently, the Settlement Agreements further the interest of “preservation of Receivership Property” and are authorized on that ground as well.⁷

ARGUMENT

THE COURT SHOULD APPROVE THE SETTLEMENT AGREEMENTS.

An equity receiver’s authority to settle claims is inherent in the charge to collect assets:

Since the court has authority to authorize the receiver to collect assets of a corporation, it has the further authority to authorize the receiver to sue to collect the assets of the corporation. It naturally follows, as a necessary corollary of the foregoing, that the receiver has the power, when so authorized by the court, to compromise claims either for or against the receivership and whether in suit or not in suit.

3 Clark, Ralph Ewing, *A Treatise on the Law and Practice of Receivers*, § 770, p. 1424 (3d ed. 1992) (cited with approval in *S.E.C. v. Credit Bancorp, Ltd.*, 2002 WL 1792053, at *4 (S.D.N.Y. August 2, 2002)).

Settlement of claims by a receiver furthers the purposes of an equity receivership to marshal the estate’s assets for the benefit of injured creditors. *S.E.C. v. Parish*, 2010 WL 8347143, at *6 (D.S.C. Feb. 10, 2010) (receiver’s proposed settlement approved by the court, finding the settlement was “consistent with and furthers the purposes of the receivership”). Thus, it is settled that a settlement by a receiver in a federal equity receivership is within the receiver’s broad discretion and should be approved if it is fair. *See, e.g., Gordon v. Dadante*, 336 Fed. Appx. 540, 546 (6th Cir. 2009); *S.E.C. v. Credit Bancorp, Ltd.*, 2002 WL 1792053, at *4-5 (S.D.N.Y. August 2, 2002); *S.E.C. v. Princeton Economic International, Inc.*, 2002 WL 206990, at *1 (S.D.N.Y. Feb. 8, 2002).

⁷ The Receiver is also authorized to “take any action which, prior to entry of this Order, could have been taken by the officers, directors, managers, managing members, and general and limited partners, and agents of the Receivership Entities.” (Receivership Order, ¶ 6(E).) For the reasons set forth above, PPCO, and therefore the officers, directors, managers, managing members, general and limited partners, and agents of PPCO and of its “Portfolio Manager,” PPCO Portfolio Manager (also in Receivership), who together control PPCO, could have caused PPCO and the Subsidiaries it majority owns to enter into the Settlement Agreements. Consequently, the Receiver is also authorized to enter into and fund the Settlement Agreements under paragraph 6(E) of the Receivership Order.

“[R]eceptors benefit from the general presumption that district courts favor settlements.” *Sterling v. Stewart*, 158 F.3d 1199, 1202 (11th Cir. 1998). Courts long have emphasized that public policy favors settlement. *Lyondell Chem. Co. v. Occidental Chem. Corp.*, 608 F.3d 284, 298 n.43 (5th Cir. 2010).

Paragraphs 6, 28 and 34 of the Receivership Order confirm the Receiver’s broad discretion to enter into and fund the Settlement Agreements. While the Receiver believes that those provisions grant her the authority to enter into and fund the Settlement Agreements without this Court’s approval, in the interest of transparency, in an abundance of caution, and to provide all potential stakeholders with an opportunity to be heard on an important matter that may affect their interests, the Receiver seeks Court approval of the Settlement Agreements.

Taking into consideration the merits of the claims and the risks, uncertainties, and expenses associated with the SDNY Action, and the potential amount that might or might not be recovered from a judgment, the Receiver’s decision to enter into the Settlement Agreements and to utilize funds of PPCO and ALS for the Settlements is fair and reasonable and a sound exercise of the Receiver’s discretion and business judgment for the Receivership Entities and the Subsidiaries.

The benefits of the Settlement Agreements to the Receivership Estate and the Subsidiaries greatly outweigh the risks and costs of continued litigation. **First**, the Settlement Agreements provide several critical benefits to the Receivership Estate:

- They eliminate approximately \$44.6 million (principal amount) of the approximately \$79.8 million (principal amount) of Secured Debt purportedly outstanding against PPCO and its majority-owned Subsidiaries as of September 30, 2019, thereby eliminating a primary obstacle to the successful completion of the Receivership with an orderly wind down in which unsecured creditors and/or investors will receive some payment on their interests.
- The Settlement Agreements are a necessary and crucial step toward the Receiver’s goal of eliminating the remaining impediments to a distribution to creditors or investors. The Receiver expects to obtain the release of the PGS Secured Debt (principal amount \$30,650,512.27) in a separate agreement that, if consummated,

will result in no use of Receivership funds. While the Settlement Agreements do not eliminate the purported all-asset lien allegedly held by the remaining Noteholders (PBLA ULICO 2017 (principal amount \$339,261.21), BBIL ULICO 2014 (principal amount \$1,530,543.58) and OMNIA (principal amount \$2,660,350.89)), \$4.5 million of the Settlement Amount will be held in escrow to indemnify the Receiver for any future claims by them, should it be determined that those parties are entitled to such claims notwithstanding that they did not file proofs of claim.

- The Settlement Agreements will resolve 38 Proofs of Claim filed by BCLIC, WNIC, SHIP and Fuzion and a portion of the BAM Proof of Claim.
- The Settlement Agreements will also enable the Receiver to obtain release of the \$6.3 million ALS Escrow Account.

Second, following the Opinion and Order, the only surviving claims against BCLIC, WNIC and SHIP in the SDNY Action are avoidance claims under the NYDCL, unjust enrichment claims, and declaratory judgment claims, which, if successful, would yield a result no better than avoidance of the BCLIC Secured Debt, the WNIC Secured Debt and the SHIP Secured Debt. The upside of proceeding with the SDNY Action against those parties is therefore limited.

Third, the SDNY Action involves a challenge to a facially valid lien asserted by sophisticated and well-funded adversaries who have aggressively defended their positions, and presents significant risks on the merits. The following issues affecting the Receiver's claims under the NYDCL, among others, are vigorously contested and involve uncertain outcomes:

- whether the Receiver has standing to assert claims under the NYDCL;
- whether PPCO received fair consideration in the subject transactions;
- whether those transactions exhibit the requisite badges of fraud from which a court could find the transactions were entered into with actual fraudulent intent;
- whether PPCO and the Subsidiaries were insolvent;
- whether the defendants acted in "good faith"; and
- whether the Receiver's claims are barred by defenses under NYDCL § 278.

Each of these issues presents a serious risk that (a) that the SDNY Court could grant the defendant summary judgment on the Receiver's NYDCL claims, or (b) the defendants could defeat those claims at trial or on appeal. Success by SHIP alone could mean the entire Receivership Estate is consumed by the SHIP Secured Debt, leaving no distribution to unsecured creditors or investors. A defeat would also involve a collateral estoppel risk that could benefit all Noteholders.

Fourth, a decision on the summary judgment motions filed by SHIP and BAM Admin involving many of these issues, with an uncertain outcome, was imminent when the Settlement Agreements were executed, with the SDNY Court having stated by minute order that, if the parties did not fully settle by July 1, 2020, at 5:00 p.m., then it would render its decision shortly thereafter. If the action proceeded to trial, then fees and out-of-pocket costs in connection with trial, trial preparation, review of voluminous records, emails and other electronically stored information, *in limine* motions, *Daubert* motions, expert witness costs and preparation, trial and post-trial motions, trial and/or appeals would likely consume millions of dollars, to the detriment of the investors and creditors of the Receivership Entities, with an uncertain outcome.

Fifth, the important benefits that the Receivership Estate will realize from the Settlement Agreements outweigh the risks and costs of continuing to pursue the litigation. Importantly, the CNO Settlement Agreement makes no present distribution to the CNO Defendants but grants them an allowed general unsecured claim totaling \$1,000,000. Moreover, the \$14,000,000 payment under the SHIP Settlement, in order to avoid the risk that the SDNY Court would grant summary judgment dismissing the Receiver's fraudulent conveyance claims, or that the defendants would prevail at trial or on appeal is also eminently reasonable. For these reasons, based upon the Receiver's business judgment, her team's years long investigation, and consideration of the range of possible outcomes and expenses remaining to be incurred in the SDNY Action, the Settlement Agreements represent a fair compromise and a reasonable exercise of her discretion.

Finally, the Receiver's decision to use up to approximately \$1.8 million (approximately 11.8% of the \$14 million Settlement Amount) of funds of ALS and at least \$12,353,437.88 of funds of PPCO to fund the Settlement Amount is also a reasonable exercise of her business judgment. There are two available sources of payment of the Settlement Amount – PPCO and ALS. As of March 31, 2020, PPCO had cash on hand of \$19,467,591.62 and ALS had cash on hand of \$13,641,732.49 (including funds held in the ALS Escrow Account and the ALS Operating Account).

It is appropriate to use funds of both PPCO and ALS for the Settlement Amount because the Settlement Agreements benefit both of them. SHIP's purported lien under the MSA extends to both PPCO and ALS, and ALS guaranteed the Secured Debt. Consequently, if SHIP and/or BBIL prevailed in the SDNY Action, they could recover from either PPCO or ALS. Therefore, the Settlement Agreements benefit not only PPCO, but also ALS and, by extension, ALS' wholly owned subsidiary, ALS Life.

As of the Receivership Date, ALS had \$19.5 million of encumbered assets (or approximately 11.8% of the total encumbered assets of ALS and PPCO), and PPCO had \$146,300,000 of encumbered assets (approximately 88.2% of the total encumbered assets). Because the percentage of the Settlement Amount that ALS will be contributing is proportionate to the benefit (relative to the Receivership's) that ALS will be receiving in the settlements, the Receiver's decision to use up to approximately \$1.8 million, or approximately 11.8%, of the Settlement Amount, of ALS' funds to pay the Settlement Amount is a sound exercise of her business judgment.

CONCLUSION

For the reasons set forth above and in the Receiver Decl., the Motion should be granted.

Dated: New York, New York
July 1, 2020

OTTERBOURG P.C.

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