

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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	:	
IN RE PLATINUM-BEECHWOOD LITIGATION	:	
	:	18-cv-06658 (JSR)
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MARTIN TROTT and CHRISTOPHER SMITH, as	:	
Joint Official Liquidators and Foreign Representatives	:	
of PLATINUM PARTNERS VALUE ARBITRAGE	:	18-cv-10936 (JSR)
FUND L.P. (in Official Liquidation) and PLATINUM	:	
PARTNERS VALUE ARBITRAGE FUND L.P. (in	:	<b>THE BEECHWOOD PARTIES’</b>
Official Liquidation),	:	<b>ANSWER TO THE SECOND</b>
	:	<b>AMENDED COMPLAINT</b>
Plaintiffs,	:	
	:	<b>JURY TRIAL DEMANDED</b>
-v-	:	
	:	
PLATINUM MANAGEMENT (NY) LLC, et al.,	:	
	:	
Defendants.	:	
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Defendants B Asset Manager LP (“BAM”), B Asset Manager II LP (“BAM II”),  
Beechwood Re Investments, LLC (“BRILLC”), Beechwood Re Holdings, Inc. (“BRE  
Holdings”), Beechwood Re (in Official Liquidation) s/h/a Beechwood Re Ltd. (“BRE”),  
Beechwood Bermuda International Ltd. (“BBIL”), BAM Administrative Services, LLC (“BAM  
Admin”), Mark Feuer, Scott Taylor, and Dhruv Narain (collectively, the “Beechwood Parties”),<sup>1</sup>  
hereby respond to the Second Amended Complaint (the “SAC”) of Plaintiffs Martin Trott and  
Christopher Smith, as the Joint Official Liquidators and Foreign Representatives of Platinum

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<sup>1</sup> Beechwood Capital Group, LLC, BBLN-PEDCO Corp., BHLN-PEDCO Corp., and Illumin Capital Management LP do not join in this Answer because all claims against them have been dismissed. (See Doc. No. 408.) To the extent a response to the allegations involving them is necessary, the Beechwood Parties deny all such allegations except to the extent expressly admitted below.

Partners Value Arbitrage Fund L.P. (in Official Liquidation) and Platinum Partners Value Arbitrage Fund L.P. (in Official Liquidation) as follows:<sup>2</sup>

1-2. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 1-2 of the SAC.

3. Deny the allegations in Paragraph 3 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 3.

4. State that Paragraph 4 of the SAC contains legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraph 4 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 4.

5. Deny the allegations in Paragraph 5 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 5.

6. State that Paragraph 6 of the SAC contains legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraph 6 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 6.

7. Deny the allegations in Paragraph 7 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 7.

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<sup>2</sup> To the extent the headings and subheadings in the SAC are intended to constitute factual allegations, the Beechwood Parties deny those allegations.

8. Deny the allegations in Paragraph 8 of the SAC, except admit that in 2013 Beechwood used Platinum's office space for meetings with prospective clients, including multiple meetings with co-defendants Bankers Conesco Life Insurance Company and Washington National Insurance Company.

9-11. Deny the allegations in Paragraphs 9-11 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 9-11. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

12. Deny the allegations in Paragraph 12 of the SAC involving them, except admit that for a portion of 2014 Levy served as BAM's CIO. Otherwise deny knowledge or information sufficient to form a belief as to the truth of allegations in Paragraph 12. To the extent Paragraph 12 references certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

13. Refer to the Superseding Information in *United States v. Murray Huberfeld*, Case No. 16-CR-467 (AKH) for its true and complete content and otherwise deny the allegations in Paragraph 13.

14-26. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 14-26 of the SAC.

27-28. Deny the allegations in Paragraphs 27-28 of the SAC.

29-31. Deny the allegations in Paragraphs 29-31 involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 29-31.

32. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 32 of the SAC.

33. Deny the allegations in Paragraph 33 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 33.

34. State that Paragraph 34 of the SAC contains legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 34.

35. State that Paragraph 35 of the SAC contains legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraph 35 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 35.

36. State that Paragraph 36 of the SAC does not contain any factual statements and therefore requires no response. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraph 36.

37-39. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 37-39 of the SAC.

40-41. Deny the allegations in the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 40-41 of the SAC.

42-45. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 42-45 of the SAC.

46-47. Deny the allegations in Paragraphs 46-47 of the SAC.

48. Deny the allegations in Paragraph 48 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 48.

49-52. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 49-52 of the SAC.

53. Deny the allegations in Paragraph 53 of the SAC, except admit that Levy served as chief investment officer of BAM for a limited period in 2014. The Beechwood Parties also admit that Beechwood marketing materials included Levy's bio, which referenced his experience with Platinum Management, and respectfully refer to those materials for their true and complete content. To the extent Paragraph 53 of the SAC purports to make representations about the ownership of Beechwood entities, the Beechwood Parties refer to the relevant entities' organizational documents for their true and complete content.

54. Deny the allegations in Paragraph 54 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 54.

55-71. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 55-71 of the SAC.

72. Deny the allegations in Paragraph 72 of the SAC.

73-74. Deny the allegations in Paragraphs 73-74 involving them and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 73-74.

75-76. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 75-76 of the SAC.

77. Deny the allegations in Paragraph 77 of the SAC.

78. Deny the allegations in Paragraph 78 involving them and otherwise deny knowledge or information sufficient to form a belief as to the allegations in Paragraph 78.

79-84. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 79-84 of the SAC.

85. Deny the allegations in Paragraph 85 of the SAC.

86-95. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 86-95 of the SAC.

96-98. Deny the allegations in Paragraphs 96-98 involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 96-98 of the SAC.

99. Deny the allegations in Paragraph 99 of the SAC.

100. Deny the allegations in Paragraph 100 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 100 of the SAC.

101. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 101 of the SAC.

102-112. Deny the allegations in Paragraphs 102-112 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 102-112 of the SAC.

113. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of Paragraph 113 of the SAC. Deny the allegations in the second sentence of Paragraph 113 of the SAC, except admit that Ezra Beren was hired by BAM as a credit analyst in or around December 2015/January 2016.

114. Deny the allegations in Paragraph 114 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 114.

115. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 115 of the SAC.

116. Deny the allegations in Paragraph 116 of the SAC.

117-118. Deny the allegations in Paragraphs 117-18 involving them and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 117-18 of the SAC.

119. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 119 of the SAC.

120. Deny the allegations in Paragraph 120 involving them and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 120.

121-136. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 121-36 of the SAC.

137. Deny the allegations in Paragraph 137 involving them and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 137.

138-156. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 138-56 of the SAC.

157. Deny the allegations in Paragraph 157 of the SAC, except refer to the referenced documents for their true and complete content.

158-88. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 158-88 of the SAC.

189. Admit that Saks began working for BAM in late 2014 and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 189.

190-191. Deny the allegations in Paragraphs 190-91 of the SAC.

192. Refer to the transaction documents referenced in Paragraph 192 of the SAC for their true and complete content, and otherwise deny the allegations in Paragraph 192.

193. Deny the allegations in Paragraph 193 of the SAC, except admit that Feuer is domiciled in Lawrence, New York, founded Beechwood, and has served as an officer at Beechwood at all relevant times.

194. Refer to the transaction documents referenced in Paragraph 194 of the SAC and Beechwood's organizational documents for their true and complete content, admit that Feuer and Taylor had voting and managerial control over Beechwood at all relevant times, and otherwise deny the allegations in Paragraph 194.

195-96. Deny the allegations in Paragraphs 195-96 of the SAC.

197. Deny the allegations in Paragraph 197 of the SAC, except refer to the transaction document referenced in Paragraph 197 for its true and complete content.

198. Deny the allegations in Paragraph 198 of the SAC, except admit that Taylor is domiciled in New York, New York, founded Beechwood, and was an officer of Beechwood at all relevant times.

199. Refer to Beechwood's organizational documents for their true and complete content, admit that Feuer and Taylor had voting and managerial control over Beechwood at all relevant times, and otherwise deny the allegations in Paragraph 199.

200. Admit that, prior to establishing Beechwood, Taylor led the Small Commercial Business segment within Marsh & McLennan and was the Chief Operating Officer of the Merrill Lynch Private Banking and Investments division.

201-203. Deny the allegations in Paragraph 201-03 of the SAC.

204. Admit that Narain is domiciled in Purchase, New York, and state that Paragraph 204 of the SAC otherwise contains legal conclusions to which no response is required.

205. Deny the allegations, in Paragraph 205 of the SAC, except admit that Narain joined BAM in or around January 2016 and was appointed Chief Investment Officer of BAM in February 2016.

206-208. Deny the allegations in Paragraphs 206-08 of the SAC.

209. State that no response is required for Paragraph 209 because Beechwood Capital Group LLC has been dismissed from this case and Paragraph 209 contains legal conclusions.

210. Deny the allegations in Paragraph 210 of the SAC, except admit that BAM is a limited partnership incorporated in Delaware, which has its principal place of business in New York, New York.

211. Deny the allegations in Paragraph 211 of the SAC, except admit that BAM II is a limited partnership incorporated in Delaware, which has its principal place of business in New York, New York.

212. Deny the allegations in Paragraph 212 of the SAC, except admit that BRILLC is a series limited liability company incorporated in Delaware, which has its principal place of business in New York, New York.

213. Admit the allegations in Paragraph 213 of the SAC.

214. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 214 of the SAC.

215. Deny the allegations in Paragraph 215 of the SAC, except admit that Beechwood Re is a reinsurance company domiciled in the Cayman Islands.

216. Deny the allegations in Paragraph 216 of the SAC, except admit that Beechwood Bermuda International Ltd. is domiciled in Bermuda.

217. Deny the allegations in Paragraph 217 of the SAC, except admit that BAM Administrative is a limited liability company organized under Delaware law, which has its principal place of business in New York, New York.

218. Deny the allegations in Paragraph 218 of the SAC. To the extent Paragraph 218 references certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

219. Deny the allegations in Paragraph 219 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 219.

220. Deny the allegations in Paragraph 220 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 220. To the extent Paragraph 220 of the SAC purports to make representations about the ownership of Beechwood entities, the Beechwood Parties refer to the relevant entities' organizational documents for their true and complete content.

221. State that Paragraph 221 contains legal conclusions to which no response is required and otherwise deny the allegations in Paragraph 221.

222. State no response to Paragraph 222 is required because Illumin Capital Management LLC has been dismissed from this case and Paragraph 222 contains legal conclusions. Otherwise deny the allegations in Paragraph 222 of the SAC, except admit that Narain joined BAM in or around January 2016 and that Illumin Capital Management LP was a limited partnership domiciled in Delaware.

223-225. State that Paragraphs 223-25 of the SAC assert legal conclusions to which no response is required.

226-268. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 226-68 of the SAC.

269-270. State that Paragraphs 269-70 contain legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraphs 269-70 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 269-70.

271-272. Deny the allegations in Paragraphs 271-72 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 271-72.

273-291. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 273-91 of the SAC. To the extent those Paragraphs reference certain documents, the Beechwood Parties refer to the referenced documents for their true and complete contents. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

292. Deny the allegations in Paragraph 292 of the SAC to the extent they assert wrongdoing by the Beechwood Parties and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 292 of the SAC.

293-303. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 293-303 of the SAC. To the extent those Paragraphs reference certain documents, the Beechwood Parties refer to the referenced documents for their true and complete content. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

304. Refer to the referenced proofs of debt for their true and complete content and deny the allegations in Paragraph 304 to the extent inconsistent therewith.

305-317. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 305-17 of the SAC. To the extent those Paragraphs reference certain documents, the Beechwood Parties refer to the referenced documents for their true and complete contents. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

318. Deny the allegations in Paragraph 318 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraph 318.

319-346. Deny knowledge or information sufficient to form a belief about the truth of the allegations in Paragraphs 319-46 of the SAC. To the extent those Paragraphs reference certain documents, the Beechwood Parties refer to the referenced documents for their true and complete contents. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

347-353. Deny the allegations in Paragraphs 347-53 of the SAC.

354-356. Deny the allegations in Paragraphs 354-56 of the SAC, except refer to the referenced email for its true and complete content.

357-358. Deny the allegations in Paragraphs 357-58 of the SAC.

359-372. Deny the allegations in Paragraphs 359-72 of the SAC, except refer to the referenced documents for their true and complete content.

373-380. Deny the allegations in Paragraphs 373-80 of the SAC. To the extent these Paragraphs purport to make representations about the ownership of Beechwood entities, the Beechwood Parties refer to the relevant entities' organizational documents for their true and complete content.

381-382. Deny the allegations in Paragraphs 381-82 of the SAC, except refer to the referenced documents for their true and complete content.

383. Deny the allegations in Paragraph 383 of the SAC.

384-385. Deny the allegations in Paragraphs 384-85 of the SAC, except admit that N Management LLC was the managing member of Beechwood Re Investments LLC and that the series members of BRILLC were Beechwood Re Investments, LLC Series A through I and deny knowledge or information sufficient to form a belief as to the truth of allegations concerning beneficial ownership with respect to these entities.

386. Refer to the corporate documents for their true and complete contents and otherwise deny the allegations in Paragraph 386 of the SAC.

387. Deny the allegations in Paragraph 387 of the SAC, except admit that for a portion of 2014 Levy was BAM's CIO and for a portion of 2014 and during 2015 Saks served as a CIO of BAM.

388. Deny the allegations in Paragraph 388 of the SAC, except admit that Narain joined BAM in or around January 2016 and was appointed Chief Investment Officer of BAM in February 2016.

389-393. Deny the allegations in Paragraphs 389-93 of the SAC.

394. Deny the allegations in Paragraph 394 of the SAC, except admit that Stewart Kim was the chief risk officer for certain Beechwood entities.

395. Deny knowledge or information sufficient to form a belief as to the truth of the allegations concerning Beren's employment at Platinum Management and familial relations in Paragraph 395 of the SAC and otherwise deny the allegations in Paragraph 395.

396. Deny the allegations in Paragraph 396 of the SAC, except admit that for a portion of 2014 Levy served as BAM's CIO and for a portion of 2014 and during 2015 Saks served as a CIO of BAM.

397-398. Deny the allegations in Paragraphs 397-98 of the SAC.

399. Deny the allegations in Paragraph 399 of the SAC.

400-672. Deny the allegations in Paragraphs 400-672 of the SAC involving them, except refer to the transaction documents and other referenced documents for their true and complete contents. Otherwise deny knowledge or information sufficient to form a belief as to the truth of

the allegations in Paragraphs 400-672 of the SAC, except refer to the transaction documents and other reference documents for their true and complete content.

673-674. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 673-74 of the SAC.

675. Deny the allegations in Paragraph 675 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 675.

676-726. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 676-726 of the SAC. To the extent those Paragraphs reference certain documents, the Beechwood Parties refer to the referenced documents for their true and complete contents. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

727. Deny the allegations in Paragraph 727 of the SAC involving them, except refer to the transaction documents for the referenced transaction for their true and complete contents.

728-762. Deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 728-62 of the SAC. To the extent those Paragraphs reference certain documents, the Beechwood Parties refer to the referenced documents for their true and complete contents. To the extent those Paragraphs reference certain transactions, the Beechwood Parties refer to the transaction documents for their true and complete contents.

763-845. State that no response is required for Paragraphs 763-845 because Counts 1-6 are not asserted against any Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 763-845.

846. Restate all of their previous responses in response to Paragraph 846 of the SAC.<sup>3</sup>

847-848. State that Paragraphs 847-48 of the SAC contain legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraphs 847-48 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 847-48.

849-857. Deny the allegations in Paragraphs 849-57 of the SAC.

858. Restate all of their previous responses in response to Paragraph 858 of the SAC.<sup>4</sup>

859. State that Paragraph 859 of the SAC contains legal conclusions to which no response is required. To the extent a response is required, the Beechwood Parties deny the allegations in Paragraph 859 of the SAC involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraph 859.

860-868. Deny the allegations in Paragraphs 860-68 of the SAC.

869-937. State that no response is required for Paragraphs 869-937 because Counts 9-13 are not asserted against any Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 869-937.

938-947. State that no response is required for Paragraphs 938-47 because Count 14 has been dismissed against the Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 938-47.

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<sup>3</sup> Only BAM, BAM II, and BAM Admin, Feuer, Taylor, and Narain respond to Paragraphs 846-57 of the SAC since Count 7 has been dismissed against all other Beechwood Parties.

<sup>4</sup> Only BAM, BAM II, and BAM Admin, Feuer, Taylor, and Narain respond to Paragraphs 858-68 of the SAC since Count 8 has been dismissed against all other Beechwood Parties.

948-959. State that no response is required for Paragraphs 948-59 because Count 15 is not asserted against any Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 948-59.

960-985. State that no response is required for Paragraphs 960-85 because Counts 16-17 have been dismissed against the Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 960-85.

986. Restate all of their previous responses in response to Paragraph 986 of the SAC.<sup>5</sup>

987-1000. Deny the allegations in Paragraphs 987-1000 of the SAC.

1001-1012. State that no response is required for Paragraphs 1001-12 because Count 19 is not asserted against any Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 1001-12.

1013. Restate all of their previous responses in response to Paragraph 1013 of the SAC.<sup>6</sup>

1014-1020. Refer to the “Nordlicht Side Letter” referenced in Paragraphs 1014-20 of the SAC for its true and complete content and otherwise deny the allegations in Paragraphs 1014-20.

1021. Restate all of their previous responses in response to Paragraph 1021 of the SAC.<sup>7</sup>

1022-1028. Refer to the “Master Guaranty” referenced in Paragraphs 1022-28 of the SAC for its true and complete content and otherwise deny the allegations in Paragraphs 1022-1028.

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<sup>5</sup> Only BAM, BAM II, BAM Admin, BRILLC, BRE, BRE Holdings, and BBIL respond to Paragraphs 986-1000 of the SAC.

<sup>6</sup> Only BAM responds to Paragraphs 1013-20 of the SAC.

<sup>7</sup> Only BAM Admin responds to Paragraphs 1021-28 of the SAC.

1029-1041. State that no response is required for Paragraphs 1029-41 because Count 22 is not asserted against any Beechwood Parties. To the extent a response is required, the Beechwood Parties deny the allegations involving them and otherwise deny knowledge or information sufficient to form a belief as to the truth of the allegations in Paragraphs 1029-41.

**AFFIRMATIVE DEFENSES**

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

**First Affirmative Defense**

2. The SAC fails to state a claim against the Beechwood Parties upon which relief may be granted.

**Second Affirmative Defense**

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

**Third Affirmative Defense**

4. Plaintiffs' claims for relief are barred, in whole or in part, by its failure to mitigate damages.

**Fourth Affirmative Defense**

5. Plaintiffs' claims are barred, in whole or in part, because Plaintiff consented to and/or ratified the conduct alleged to have been wrongful in the SAC.

**Fifth Affirmative Defense**

6. Plaintiffs' claims are barred, in whole or in part, by the doctrine of waiver.

**Sixth Affirmative Defense**

7. Plaintiffs' claims are barred, in whole or in part, by the doctrine of estoppel.

**Seventh Affirmative Defense**

8. Plaintiffs' claims are barred, in whole or in part, by the doctrine of laches.

**Eighth Affirmative Defense**

9. Plaintiffs' claims are barred, in whole or in part, by the doctrine of unclean hands.

**Ninth Affirmative Defense**

10. Plaintiffs' damages are limited, in whole or in part, by the doctrine of setoff.

**Tenth Affirmative Defense**

11. Plaintiffs' claims are barred, in whole or in part, by the applicable statute of limitations.

**Eleventh Affirmative Defense**

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

**Twelfth Affirmative Defense**

13. Plaintiffs' alleged damages, if any, are too speculative and too remote.

**Thirteenth Affirmative Defense**

14. Plaintiffs' lack standing to pursue their claims against the Beechwood Parties.

**Fourteenth Affirmative Defense**

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

**Fifteenth Affirmative Defense**

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

**Sixteenth Affirmative Defense**

17. Plaintiffs' claims are barred, in whole or in part, because Plaintiffs were sophisticated investors.

**Seventeenth Affirmative Defense**

18. Plaintiffs' claims as to Narain are barred, in whole or in part, because the alleged acts occurred within the scope of his employment.

**Reservation of Rights**

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

Dated: July 12, 2019  
Kew Gardens, New York

LIPSIUS-BENHAIM LAW LLP

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*Beechwood Bermuda International Ltd.,  
BAM Administrative Services, LLC, Mark  
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