

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

-v- :

No. 16-cv-6848 (BMC)

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

Defendants. :
-----X

**NOTICE OF FILING OF LETTER TO THE RECEIVER FROM SENIOR HEALTH
INSURANCE COMPANY OF PENNSYLVANIA DATED OCTOBER 27, 2023**

PLEASE TAKE NOTICE that on October 27, 2023, the Receiver received a letter from Senior Health Insurance Company of Pennsylvania (the “**Letter**”) in connection with the pending Motion for Entry of An Order (I) Permanently Enjoining any Prosecution of claim No. 145, (II) Confirming the Receiver’s Disallowance of Claim No. 145, and (III) confirming the Receiver’s Authority to Consent to the Release of the Indemnity Escrow Amount filed on March 18, 2022 [Dkt. No. 624]. The Letter is attached hereto as **Exhibit I**.

Dated: November 1, 2023

OTTERBOURG P.C.

By: /s/Erik B. Weinick

Erik B. Weinick
230 Park Avenue
New York, New York 10169
Tel.: (212) 661-9100
Fax: (212) 682-6104
eweinick@otterbourg.com

Attorneys for Melanie L. Cyganowski, as Receiver

EXHIBIT I

CANTILO & BENNETT, L.L.P.

ATTORNEYS & COUNSELORS
A Texas Registered Limited Liability Partnership
Comprised of Professional Corporations

11401 Century Oaks Terrace
Suite 300

Telephone: (512) 478-6000

Austin, Texas 78758
www.cb-firm.com

Facsimile: (512) 404-6550

October 27, 2023

VIA ELECTRONIC MAIL

Melanie L. Cyganowski, Esq.
Receiver
c/o Otterbourg P.C.
230 Park Avenue
New York, NY 10169-0075

Re: *S.E.C. v. Platinum Management (NY) LLC, et al.*, No. 16-cv-6848-BMC (E.D.N.Y.)

Dear Ms. Cyganowski:

I am reaching out to you in your capacity as the duly appointed Receiver (the “Receiver”) for Platinum Credit Management, L.P. (“**PPCO Portfolio Manager**”), Platinum Partners Credit Opportunities Master Fund LP (“**PPCO Master Fund**”), Platinum Partners Credit Opportunities Fund (TE) LLC (“**PPCO Fund TE**”), Platinum Partners Credit Opportunities Fund LLC (“**PPCO Fund**”), Platinum Partners Credit Opportunities Fund (BL) LLC (“**PPCO Fund BL**”), Platinum Partners Credit Opportunities Fund International Ltd (“**PPCO Fund International**”) and Platinum Partners Credit Opportunities Fund International (A) Ltd (“**PPCO Fund International A**” together with PPCO Master Fund, PPCO Fund TE, PPCO Fund, PPCO Fund BL, and PPCO Fund International, collectively, the “**PPCO Funds**,” and, together with PPCO Portfolio Manager, collectively, the “**PPCO Receivership Entities**”), Platinum Liquid Opportunity Management (NY) LLC (“**PPLO Portfolio Manager**”), Platinum Partners Liquid Opportunity Fund (USA) L.P. (“**PPLO Fund US**”), Platinum Partners Liquid Opportunity Master Fund L.P. (“**PPLO Master Fund**” together with PPLO Fund US, collectively, the “**PPLO Funds**”; together with PPLO Portfolio Manager, collectively, the “**PPLO Receivership Entities**”; and together with the PPCO Receivership Entities, collectively, the “**Receivership Entities**” in this receivership, the “**Receivership**”), and the estate thereof (the “**Receivership Estate**”) to request your assistance on a matter of import to Senior Health Insurance Company of Pennsylvania (SHIP).

As you know, SHIP is a Pennsylvania long-term care insurer that provides nursing home, home healthcare, and related insurance coverage to individuals incapable of caring for themselves, primarily the elderly, throughout the United States. Due to severe financial challenges, SHIP was placed in rehabilitation by order of the Pennsylvania Commonwealth Court on January 29, 2020, in matter No. 1 SHP 2020. On August 24, 2021, that court approved a plan for SHIP’s rehabilitation, and that approval was affirmed by the Pennsylvania Supreme Court on June 20, 2023. The Rehabilitation Plan is aimed at resolving a \$1.2 billion deficit in the assets available

Melanie L. Cyganowski, Esq.
October 27, 2023 – page 2

CANTILO & BENNETT, L.L.P.

to SHIP to discharge the benefits projected to be owed to its insureds under their non-cancellable long-term care insurance policies.

In my role as the duly appointed Special Deputy Rehabilitator (SDR) for SHIP, part of my focus has been on marshaling additional assets toward the reduction of this deficit so that we may pay for the care needed by our insureds, who now average an attained age of 88.

By agreement reached on July 1, 2020, we resolved all claims between SHIP and the Receivership Entities in a settlement agreement including payment to SHIP of \$14 million. However, the settlement required that \$4,530,155.68 (the Indemnity Escrow Amount) of this \$14 million be held by the “Indemnity Escrow Agent” in order to hold the Receivership Entities and the Receiver harmless against all claims arising from the purportedly secured debt of PBLA ULICO 2017, the purportedly secured debt of BBIL ULICO 2014 and/or the purportedly secured debt of OMNIA Ltd., up to a maximum of the Indemnity Escrow Amount, which was the total alleged outstanding principal on the secured debt of all three entities.

As you have since advised this Court in the Receiver’s quarterly status updates regarding the Receivership, all potential claims for which the Indemnity Escrow Amount was set aside have now been resolved or are barred. I also understand from the quarterly reports that the Receiver does not believe the Receivership Estate faces any potential liability on account of those claims. As a result, as you have previously advised the Court, “the Indemnity Escrow Amount should be released to SHIP.” See Dkt No. 624-1, March 18, 2022, *Declaration of Melanie L. Cyganowski as Receiver in Support Of The Receiver’s Motion For An Order (I) Permanently Enjoining Any Prosecution Of Claim No. 145, (II) Confirming The Receiver’s Disallowance Of Claim No. 145, And (III) Confirming The Receiver’s Authority to Consent To The Release Of The Indemnity Escrow Amount*, pages 6-7.

Recovery by SHIP of the Indemnity Escrow Amount will assist substantially in his marshaling of assets to facilitate the implementation of SHIP’s rehabilitation Plan and the protection of its aging insureds. Since the Indemnity Escrow is no longer needed to protect the Receivership Estate, any objection to release of the Indemnity Escrow Amount should be overruled, and the SDR would be grateful for the Court’s prompt approval of its conveyance to SHIP.

Despite this, the Receiver’s March 18, 2022, *Motion for Entry of an Order (I) Permanently Enjoining Any Prosecution of Claim No. 145, (II) Confirming the Receiver’s Disallowance of Claim No. 145, and (III) Confirming the Receiver’s Authority to Consent to the Release of the Indemnity Escrow Amount*, Dkt No. 624, remains pending for the Court. And so, the purpose of this letter is to ask for your support in requesting that the Court enter an order approving this motion and authorizing the release of the Indemnity Escrow Amount to SHIP, as contemplated by the parties’ settlement agreement.

Melanie L. Cyganowski, Esq.
October 27, 2023 – page 3

CANTILO & BENNETT, L.L.P.

I am very grateful for your assistance in this matter. Please do not hesitate to contact me with any questions about this request.

Cordially yours,

A handwritten signature in cursive script that reads "Patrick H. Cantilo".

Patrick H. Cantilo
Special Deputy Rehabilitator
Senior Health Insurance Company of
Pennsylvania