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March 29, 2017

VIA CM/ECF

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

**Re: *Securities and Exchange Commission v. Platinum Management (NY) LLC, et al.*,
No. 1:16-cv-06848-DLI-VMS**

Dear Chief Judge Irizarry,

We represent defendant David Levy in connection with the above-referenced matter.

On March 23, 2017 the Receiver, Bart Schwartz, requested that this Court enter an order permitting the expansion of the scope of the receivership to include nine additional Platinum-related entities. Dkt. No. 112. We object to this request only as to one of those entities, Platinum Management (NY) LLC (“PMNY”). Apart from the issue of privilege as discussed further below, we take no position as to the balance of the Receiver’s request.

First, PMNY is an economically dormant company with no current employees and no current activities. When we were informed on March 22, 2017 that the Receiver would be making this application, we asked Receiver’s counsel to inform us of any activities of PMNY. Counsel to the Receiver’s response – mirrored in their application to the Court – was only that (1) in the past PMNY managed certain PPVA funds that are now subject to liquidation proceedings in the Cayman Islands and (2) in the past, employees of PMNY did work related to PPCO and PPLO entities as well as PPVA entities. The Receiver has thus raised no current activities of PMNY that require supervision by the Receiver, and for this reason alone, the Receiver’s application should be denied as to PMNY.

Second, PMNY is the holder of the attorney-client privilege protecting many of the documents seized as a result of the search warrant issued in the related criminal matter. We are concerned that should PMNY be added to the receivership, the Receiver would arguably then control that privilege. The government could then seek to have the Receiver waive the privilege such that the government could gain access to communications that would otherwise be protected under the attorney-client privilege. We are unaware of any authority that would support such an invasion of the attorney-client privilege by the government in a context such as this. Accordingly, the importance of the attorney-client privilege militates against extending the Receiver’s authority to



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include PMNY. Additionally, to the extent that other entities on the list included in the Receiver's request, such as Platinum Credit Management LLC, are the holders of the privilege over any communications collected under the search warrant, we ask that control over that privilege be excluded from the powers granted to the Receiver.

If the Court concludes that there is a valid basis for including PMNY in the list of entities over which the Receiver is granted authority – despite the fact that PMNY has no employees and no operations – we respectfully request that the Court, as a condition of that appointment, ensure that control over the attorney-client privilege held by entities such as PMNY and Platinum Credit Management LLC is exempted from the authority granted the Receiver.

As noted above, we take no position on the Receiver's request to add the other eight entities listed in their request to the receivership.

Thank you for your consideration.

Respectfully submitted,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

s/ Morris J. Fodeman
Morris J. Fodeman
Michael S. Sommer

Cc: All Counsel of Record (via CM/ECF)