

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

In re

PLATINUM-BEECHWOOD LITIGATION

Civil Action No. 18-cv-6658 (JSR)

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),

Civil Action No. 18-cv-10936 (JSR)

Plaintiffs,

- against -

PLATINUM MANAGEMENT (NY) LLC, *et al.*,

Defendants.

**PLAINTIFFS' SUPPLEMENT TO THEIR OPPOSITION TO  
MOVING DEFENDANTS' MOTIONS TO DISMISS**

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Christopher Smith, as Joint Official Liquidators and  
Foreign Representatives of Platinum Partners  
Value Arbitrage Fund L.P. (in Official Liquidation),  
and for Platinum Partners Value Arbitrage Fund  
L.P. (in Official Liquidation)*

On March 6, 2019, the Court heard oral argument on Defendants' Motions to Dismiss Plaintiffs' Amended Complaint ("Amended Complaint"). In response to arguments raised by Defendant/Preferred Investor GRD Estates Ltd. ("GRD Estates") challenging the veracity of certain allegations against it, and consistent with the Court's instructions, Plaintiffs submit this Supplement to Plaintiffs' Opposition to the Moving Defendants' Motions to Dismiss, in order to provide additional information regarding two allegations that were asserted "on information and belief." The contested allegations from the Amended Complaint are as follows:

163. "On information and belief, Preferred Investor of the BEOF Funds GRD Estates Ltd. is a longtime client of Huberfeld, and its principal, Gordon Diamond, is Huberfeld's close personal friend."

...

460. "On information and belief, at least certain of the investors in the BEOF Funds raised concerns as to the status of their investment by the beginning of 2014."

With regard to paragraph 163, we submit an email chain, dated June 2 and 3, 2009, between Gilad Kalter, President of Centurion Credit Management LP, and Gordon R. Diamond, the principal of GRD Estates. (Exhibit 1) In the email, Mr. Kalter informs Mr. Diamond that his investment in Centurion Credit Group LLC, a fund controlled by Murray Huberfeld and the former name of Platinum Partners Credit Opportunity Fund (in SEC Receivership), had increased in value during the month of May 2009. Mr. Diamond, in a follow-up email the next day, congratulated Mr. Kalter for the "super results" and asked him to "tell Murray my friend that I love him and at this moment I am at the Golden Door . . . health spa with Barry[,] my son in law." (*Id.*) Mr. Kalter forwarded Mr. Diamond's email to Mr. Huberfeld requesting that he review the email. (*Id.*) This, of course, directly supports the allegation in paragraph 163 that Mr. Diamond is a longtime client and close personal friend of Mr. Huberfeld. In addition to this evidence, we have attached a

collection of emails that confirms that Mr. Diamond regularly invested with Huberfeld since at least 2008. (Exhibit 2)

As for the allegation in paragraph 460, we submit an email thread dated January 31 and February 1, 2013. (Exhibit 3) In the initial email, Joseph Ritterman of Platinum Management sends marketing material for PPBE (i.e., the BEOF Funds) to Mr. Huberfeld, who then forwards the email to Mr. Diamond. (*Id.*) Mr. Diamond, in turn, forwards the email to, *inter alia*, Coralie Philippot, a Taxation & Financial Analyst for West Coast Reduction Ltd. (*Id.*) One day later, Ms. Philippot replies to the email with an excerpt from a December 11, 2012 Wall Street Journal article that raised serious questions as to Black Elk's financial condition, including by reporting that "S&P said it might downgrade Black Elk's credit rating further, saying the company had 'little capacity to absorb' unexpected expenses or liability." (*Id.*) Mr. Diamond then forwards Ms. Philippot's email to Mr. Huberfeld and asks for his comment on the article (and Mr. Huberfeld subsequently forwards the email chain to David Levy). (*Id.*) By forwarding this email to Mr. Huberfeld and asking for comment, Mr. Diamond clearly conveyed concerns about the financial condition of Black Elk and, thus, the investment in the BEOF Funds.

We respectfully submit that the allegations in paragraphs 163 and 460 of the Amended Complaint, along with the other allegations in the Amended Complaint made on information and belief, are well-founded and properly asserted. Under all of these circumstances, the Court should deny Defendants' motion and find that Plaintiffs have satisfied both Rule 8(a) and Rule 9(b).

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**CONCLUSION**

WHEREFORE, the Plaintiffs respectfully submit this Supplement to Plaintiffs' Opposition to Moving Defendants' Motions to Dismiss.

Dated: March 11, 2019  
New York, New York

HOLLAND & KNIGHT LLP

By: /s/ Richard A. Bixter, Esq.  
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*Attorneys for Plaintiffs Martin Trott and  
Christopher Smith, as Joint Official Liquidators and  
Foreign Representatives of Platinum Partners  
Value Arbitrage Fund L.P. (in Official Liquidation),  
and for Platinum Partners Value Arbitrage Fund  
L.P. (in Official Liquidation)*

**EXHIBIT 1**

**To:** Murray Huberfeld[mhuberfeld@centurionllc.com]  
**From:** Gilad Kalter [Case 1:18-cv-10936-JSR Document 271-1 Filed 03/11/19 Page 2 of 3](#)  
**Sent:** Wed 6/3/2009 3:21:40 PM  
**Subject:** Fw: Centurion Credit Group (Onshore) Monthly Report (+1.04%; YTD +5.92%)

See below from Gordon Diamond

Gilad Kalter  
President  
Centurion Credit Management LP  
152 West 57th Street, 54th Floor  
New York, New York 10019  
Tel: (212) 581-0500  
Fax: (212) 581-0002  
[gkalter@centurionllc.com](mailto:gkalter@centurionllc.com)

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**From:** Diamond, Gordon  
**To:** Gilad Kalter  
**Sent:** Wed Jun 03 11:16:11 2009  
**Subject:** Re: Centurion Credit Group (Onshore) Monthly Report (+1.04%; YTD +5.92%)

Super results because last month was the first time since I have being with you that we lost money! Keep up the good results and tell Murray my friend that I love him and at this moment I am at the Golden Door a health spa with Barry my son in law.....Cheers.....Gordon

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Gordon R. Diamond | Chairman | West Coast Reduction Ltd. | 105 N. Commercial Drive, Vancouver, BC, V5L 4V7

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[gdiamond@wcr.com](mailto:gdiamond@wcr.com) | [www.wcr.com](http://www.wcr.com)

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----- Original Message -----

**From:** Gilad Kalter <[gkalter@centurionllc.com](mailto:gkalter@centurionllc.com)>  
**To:** Diamond, Gordon  
**Sent:** Tue Jun 02 17:35:49 2009  
**Subject:** Centurion Credit Group (Onshore) Monthly Report (+1.04%; YTD +5.92%)

Dear Mr. Diamond:

I am pleased to report that the estimated May return for Centurion Credit Group LLC is +1.04%, net of fees and expenses (YTD +5.92%). Attached please find the Fund's monthly report, which provides portfolio allocation and historical performance.

If you have any questions or require additional information, please feel free to contact Murray or me at (212) 581-0500.

Regards,

Gilad

Gilad Kalter  
President  
Centurion Credit Management LP  
152 West 57th Street, 54th Floor  
New York, New York 10019

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**EXHIBIT 2**



**To:** Gilad Kalter[gkalter@centurionllc.com]; Murray Huberfeld[mhuberfeld@centurionllc.com]  
**From:** Joel Edelstein  
**Sent:** Fri 12/12/2008 8:45:27 PM  
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Gordon Diamond is sending us 1MM subscription next week – His comptroller called and said “we’re sending you guys and no one else.”

**Joel Edelstein**

**Centurion Credit Management, LP**

152 West 57th St., 54th Floor

New York, N.Y. 10019

Tel: (212) 581-0500

Fax: (212) 581-0002

Email: [jedelstein@centurionllc.com](mailto:jedelstein@centurionllc.com)

**To:** Murray Huberfeld[mhuberfeld@centurionllc.com]  
**From:** Isaac Barber [Case 1:18-cv-10936-JSR Document 271-2 Filed 03/11/19 Page 3 of 6](#)  
**Sent:** Fri 9/3/2010 2:50:44 AM  
**Subject:** Marbridge Energy Finance Fund

Gordon Diamond

Trican Developments, Inc

Dear Mr. Diamond:

Thank you for investing in Marbridge Energy Finance Fund LLC. Marbridge funded Glacial Energy Holdings, Inc., with an initial advance on August 18, 2010. Upon the initial funding, Marbridge collected a 1% funding fee on behalf of the investors. Glacial paid interest for the month of August 2010, at a prorated amount reflecting 14 days of principal outstanding.

The following is a breakdown of today's distribution:

§ Funding Fee net of fees:	\$16,000.00
§ Interest (14 days) net of fees:	\$12,950.73
§ Your distribution net of fees:	\$28,950.73

Going forward, your distribution will be approximately \$27,754.44 a month.

Sincerely,

Isaac Barber

Marbridge Management LLC

347 5th Avenue, Suite 1402

New York, NY 10016

Phone (646) 205-2257

Fax (646) 213-1378

Email: [ibarber@marbridgeef.com](mailto:ibarber@marbridgeef.com)

**To:** ma2500@aol.com[ma2500@aol.com]  
**From:** Uri Landesman  
**Sent:** Fri 8/19/2011 7:54:46 PM  
**Subject:** RE: 2 million

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Nice work, keep it up.

-----Original Message-----

**From:** ma2500@aol.com [mailto:ma2500@aol.com]  
**Sent:** Friday, August 19, 2011 3:12 PM  
**To:** Uri Landesman; Mark Nordlicht; Joel Edelstein  
**Subject:** 2 million

Gordon diamond - moving from marbridge to centurion  
Sent via BlackBerry by AT&T

**To:** Murray Huberfeld[mhuberfeld@centurionllc.com]  
**From:** Uri Landesman  
**Sent:** Mon 1/3/2011 11:42:58 AM  
**Subject:** Re:

Nice.

----- Original Message -----

**From:** Murray Huberfeld  
**To:** Michael Kimelman  
**Cc:** Mark Nordlicht; Uri Landesman  
**Sent:** Mon Jan 03 06:11:25 2011  
**Subject:**

New investor for Jan 1  
Ppva - class I  
One million - offshore - send papers  
gdiamond@wcrll.com  
Gordon diamond

**To:** Joel Edelstein[jedelstein@platinump.com]; Mark Nordlicht[mnordlicht@platinump.com]  
**From:** Murray Huberman  
**Sent:** Mon 2/4/2013 9:42:07 PM

Gordon diamond - 2 million - black elk. - joel send him closing documents

**EXHIBIT 3**

**To:** David Levy[dlevy@platinumlp.com]  
**From:** Murray Huberfeld  
**Sent:** Fri 2/1/2013 7:44:02 PM  
**Subject:** Fw: PPBE Marketing Material

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Sent via BlackBerry by AT&T

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**From:** "Diamond, Gordon" <gdiamond@wcr1.com>  
**Date:** Fri, 1 Feb 2013 19:41:45 +0000  
**To:** 'huberfeld@gmail.com' <huberfeld@gmail.com>; Philippot, Coralie <cphilippot@wcr1.com>; Koch, Humphry <hkoch@wcr1.com>; Bestwick, Ridley <rbestwick@wcr1.com>  
**Subject:** Fw: PPBE Marketing Material

First of all hope you are slowly improving from your accident.  
What is your comment on this article?  
Cheers, GRD

---

Gordon R. Diamond | Chairman | West Coast Reduction Ltd. | 1292 Venables Street, Vancouver, BC V6A 4B4  
T: 604.252.2060 | F: 604.255.3434 |  
gdiamond@wcr1.com | www.wcr1.com

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**From:** Philippot, Coralie  
**Sent:** Friday, February 01, 2013 08:08 AM Pacific Standard Time  
**To:** Diamond, Gordon; Bestwick, Ridley; Glotman, Barry; Koch, Humphry  
**Subject:** RE: PPBE Marketing Material

an excerpt from a Wall Street Journal article from Dec. 11, 2012:

In 2009, Black Elk secured funds from Platinum Partners, which has lent it money at interest rates up to 20% and last year paid it \$30 million for preferred stock with an annual dividend of 24%, payable in preferred shares, according to filings with the Securities and Exchange Commission.

Platinum, which controls the company's management, didn't respond to e-mailed questions from the Journal. In a statement, it praised Mr. Hoffman and said it shares "his grief and concern for all parties affected by the recent tragedy in the Gulf."

Platinum was founded in 2003 by Mark Nordlicht, who got his start in commodities trading and had made previous energy investments. The firm manages more than \$1 billion in assets, according to its website.

By the end of September, Black Elk's credit lines were almost fully drawn, and it had fallen out of compliance with a debt covenant, according to a Nov. 13 filing. It got a waiver in November from its lenders, and permission not to count Platinum's preferred shares as debt. In November its lenders boosted Black Elk's borrowing limit for some purposes to \$200 million.

In the third quarter, Black Elk's oil and gas production fell about 13%, its revenues plunged 60%, and its operating loss topped \$25 million. The company cut costs related to drilling wells and maintaining platforms during the quarter. In its Nov. 13 SEC filing it cited initiatives that helped lower operating expenses by 7% from a year earlier.

Three days later fire broke out on the Black Elk platform, which was built in 1963 and about 20 miles off the Louisiana coast.

Black Elk said its cost reductions had no bearing on the Nov. 16 accident.


Days after the explosion, S&P said it might downgrade Black Elk's credit rating further, saying the company had "little capacity to absorb" unexpected expenses or liabilities.

Black Elk has had recurring safety problems, with federal citations for 315 serious violations since 2010. Black Elk challenged a \$307,000 fine for failing to test a valve that was found to be leaking natural gas in 2010, but lost an appeal and paid the penalty in September. The company met with the Bureau of Safety and Environmental Enforcement to discuss a \$140,000 fine for an incident last year at an offshore platform, seeking to mitigate the penalty, according to the Nov. 13 filing.

Though regulators had warned Black Elk in April that it needed to improve its compliance or risk losing its ability to operate in the Gulf, it was cited for 45 violations in October alone.

Coralie Philippot C.A. | Taxation & Financial Analyst | **West Coast Reduction Ltd.** | 1292 Venables Street, Vancouver, BC, V6A 4B4  
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**From:** Diamond, Gordon

**Sent:** Thursday, January 31, 2013 11:25 AM

**To:** Bestwick, Ridley; Philippot, Coralie; Glotman, Barry; Koch, Humphry

**Subject:** Fw: PPBE Marketing Material

More information!!!!

---

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---

**From:** Murray Huberfeld [<mailto:huberfeld@gmail.com>]

**Sent:** Thursday, January 31, 2013 09:24 AM

**To:** Diamond, Gordon

**Subject:** Fw: PPBE Marketing Material

Sent via BlackBerry by AT&T

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**From:** Joseph Ritterman <[jritterman@platinumlp.com](mailto:jritterman@platinumlp.com)>



**Date:** Thu, 31 Jan 2013 17:19:47 +0000  
**To:** Murray Huberfeld <[mhuberfeld@platinumlp.com](mailto:mhuberfeld@platinumlp.com)>  
**Subject:** PPBE Marketing Material

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