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Re: Matters involving Ari L. Glass

This firm is counsel to Platinum Partners Value Arbitrage Fund LP ("Platinum"), a hedge fund of which Ari L. Glass was president from March 2007 to May 2009, and Level 3 Capital Fund LP ("Level 3"), a hedge fund managed by Mr. Glass. Since 2010, Platinum and Level 3, and to a limited extent Mr. Glass, have been engaged in certain civil litigation arising out of the collapse of the now-defunct 70-lawyer South Florida firm, Rothstein Rosenfeldt Adler, P.A. ("RRA"). RRA collapsed after a federal grand jury charged Scott W. Rothstein, the firm's named partner, with using the firm to run a scheme to defraud investors. Rothstein is now serving a 50-year sentence in federal prison.

Platinum and Level 3 (together, the "Funds") are victims of Rothstein's scheme, though they did not invest with Rothstein directly. They were lenders to certain Nevada finance companies called Banyon Investments and Banyon Resources ("Banyon"), and Banyon was unable to repay the loans when Rothstein's scheme collapsed. Both the U.S. District Court in Miami and the U.S. Attorney in Miami have recognized the Funds as bona fide victims entitled to restitution from the assets forfeited by the court from Rothstein.

Despite being recognized as bona fide victims by the authorities, the Funds were nonetheless ensnared in certain civil litigation surrounding RRA.

The Funds commenced involuntary bankruptcies against guarantors of their loans to Banyon. *In re Gayla Sue Levin*, Case No. 10-27946-BKC-JKO (Bankr. S.D. Fla.) and *In re George Levin*, Case No. 10-33696-BKC-RBR (Bankr. S.D. Fla.) (the "Levin Cases"). Those

matters were resolved with a settlement agreement executed in December 2011. As a result of the settlement, one of the guarantors confessed to judgment in the amount of \$200 million in favor of the Funds, and the other guarantor entered bankruptcy, in which his assets will be marshaled for the benefit of the Funds and other creditors.

A bankruptcy trustee for RRA sued Platinum and Level 3 to recover transfers that the trustee claims were fraudulently paid to the Funds. *Stettin v. Centurion Structured Growth LLC, et al.*, Adv. Pro. No. 10-03802-RBR-A (Bankr. S.D. Fla.). That suit was one of dozens of similar suits brought by the trustee against investors and others. It was resolved with a settlement agreement executed in June 2012 with an outcome that was highly favorable to the Funds.

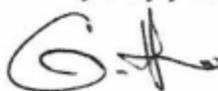
An investor group that claims to be a victim of Rothstein sued Platinum (but not Level 3) in Florida state court, claiming that Platinum helped Rothstein commit his crimes. *Razorback Funding, LLC, et al. v. Rothstein, et al.*, Case No. 09-062943 (07) (17th Judicial Circuit/Broward County, Fla.) (the "Razorback Case"). The investors sued 18 defendants, including TD Bank, N.A., and various of the bank's employees. After extensive discovery and depositions of the Platinum managers, the investor group voluntarily dismissed its case against Platinum in January 2012.

Finally, in *Discala v. Nordlicht, et al.*, Case No. 2011-017925 (15th Judicial Circuit/Palm Beach County, Fla.), a promoter of the Rothstein scheme sued Mr. Glass and others in Florida state court, claiming that he was defamed when a defendant (not Mr. Glass) emailed a newspaper reporter stating that this promoter was connected to the Rothstein scheme. We are not counsel to Mr. Glass in that case, but we understand that a motion to dismiss was filed on the grounds that the substance of the email was true, and on other grounds. We see no merit to the lawsuit, particularly as against Mr. Glass.

Importantly, no investor in Platinum or Level 3 has ever asserted a claim against those funds in connection with the Matters. The funds Mr. Glass manages today, Boothbay Hybrid Fund, LP and Paine Heights Management, LLC are neither a parties to, nor affiliated with, any of these matters.

If you would like further details about these matters, please feel free to contact me.

Very truly yours,



Gabriel Hertzberg