

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 4855/June 6, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17342

In the Matter of

RD LEGAL CAPITAL, LLC, and
RONI DERSOVITZ

ORDER GRANTING STIPULATED
TRANSCRIPT CORRECTIONS

On June 2, 2017, the parties submitted stipulated proposed corrections to the hearing transcript, as permitted by Commission Rule of Practice 302(c), 17 C.F.R. § 302(c). Having reviewed the parties' proposals, I ORDER the attached transcript corrections. My office will provide further instructions to the court reporter.

Jason S. Patil
Administrative Law Judge

In the Matter of RD Legal Capital, LLC, et al.
Administrative Proceeding File No. 3-17342

Proposed Transcript Corrections

Citation	Original Text	Proposed Correction
<i>passim</i>	judgement	<u>judgment</u>
95:24-96:3	A. She did. She said it was focused on class action lawsuits of large, well-know companies, and she gave some examples . . .	A. She did. She said it was focused on class action lawsuits of large, well- <u>known</u> companies, and she gave some examples . . .
112:14-17	Q. Now, let me direct your attention – it’s towards the bottom where it says, “the fund portfolio is principally comprised of purchase legal fees associate with settled litigation.	Q. Now, let me direct your attention – it’s towards the bottom where it says, “the fund portfolio is principally comprised of purchas <u>e</u> d legal fees associat <u>e</u> d with settled litigation.
121:5-7	Q. . . . derived by the law firms from litigations judgments and settlements “legal fee receivables” and provide loans to such lines to law firms through secured lines of credit facilities, lines of credit.	Q. . . . derived by the law firms from litigations, judgments and settlements (“legal fee receivables”), and provide loans to such lines to law firms through secured lines of credit facilities, (<u>“lines of credit”</u>).
127:23-24	Q. . . . “Whatever meetings today got pushed back a little.	Q. . . . <u>“One of our</u> meetings today got pushed back a little.
130:19-21	A. We did. I brought that up. I said, so these are settled? We can’t go back on them? They’re non-appealable?”	A. We did. I brought that up. I said, <u>“so</u> these are settled? We can’t go back on them? They’re non-appealable?”
130:25	A. . . . the question was are these ever going to be appeals . . .	A. . . . the question was are these ever going to be <u>appealed</u> . . .
136:15-17	Q. Do you see where it says, “. . . while pursuing lesser capital,	Q. Do you see where it says, “. . . while <u>preserving investor</u> capital,
136:22-23	Q. Do you see where it says, “. . . once a settlement has been reached and the legal fees earned”?	Q. Do you see where it says, “. . . once a settlement has been reached and the legal <u>fee is</u> earned”?
140:1-8	A. . . . It was described to me by Meesha as a repository of all the documents, so if I ever needed something, I could go back and get it. So it was something that I would spend a lot of time on because they were e-mailing them to me anyway.	A. . . . It was described to me by Meesha as a repository of all the documents, so if I ever needed something, I could go back and get it. So it was something that I <u>wouldn’t</u> spend a lot of time on because they were e-mailing them to me anyway.

Citation	Original Text	Proposed Correction
144:24-145:3	Q. “. . . In general the legal fees which arise from settled litigation are past the point of any appeals and are settled disputes, and therefore the dollar value of the legal fee can be accurately determined. . . .	Q. “. . . In general the legal fees which arise from settled litigation are past the point of any potential appeals or other disputes, and therefore the dollar value of the minimum legal fee can be accurately determined. . . .
145:14-16	Q. Okay. And in terms of the legal fees being past the point of any potential appeals or settled disputes, did that mean anything to you?	Q. Okay. And in terms of the legal fees being past the point of any potential appeals or other disputes, did that mean anything to you?
148:6-10	Q. . . . “We get involved upon settlements, which may be as long as three to five years after litigation first began. Even after a settlement is reached, there is a subset which is out of focus of settlements that have post-settlement payment delays. . . .	Q. . . . “We get involved upon settlements, which may be as long as three to five years after litigation first began. Even after a settlement is reached, there is a subset (which is our focus) of settlements that have post-settlement payment delays. . . .
150:11	A. . . . we can’t take a little bt . . .	A. . . . we can’t take a little bit . . .
151:1-5	Q. . . . “In any instance, there has never been to date a plaintiff requesting a lower payment, only a higher payment. This, while increasing duration slightly, decreases the settlement amount so that there is additional collateral protection.”	Q. . . . “In any instance, there has never been (to date) a plaintiff requesting a lower payment, only a higher payment. This, while increasing duration slightly, increases the settlement amount so that there is additional collateral protection.”
156:16-17	A. . . . but in this case I couldn’t quantify exactly how much risk . . .	A. . . . but in this case I couldn’t quantify exactly how much risk . . .
163:24	Q. “. . . a purchased tortuous receivable . . .”	Q. “. . . a purchased tortuous receivable . . .”
164:1-8	Q. “. . . any Iranian assets other than blocked assets. . . . If at any time the Peterson plaintiffs are unable to procure favorable rulings to decisions , the fund’s entire portfolio could be at risk.”	Q. “. . . any Iranian assets other than the blocked assets. . . . If at any time the Peterson plaintiffs are unable to secure favorable rulings to decisions, the fund’s entire portfolio could be at risk.”
171:7-14	A. She said that there are too many reasons why there was illiquidity. She said the main one was that the large position in the fund that they had was still not receiving the payment Secondly, she said that they were	A. She said that there are two main reasons why there was illiquidity. She said the main one was that the large position in the fund that they had was still not receiving the payment Secondly, she said that they were

Citation	Original Text	Proposed Correction
	changing entities and the fund structure itself was changing from what we had initially invested in.	changing entities and the fund structure itself was changing from what we had initially invested in.
172:23-25	A. . . . “I understand you’re an attorney, and we don’t have attorney compliant privilege here.”	A. . . . “I understand you’re an attorney, and we don’t have attorney client privilege here.”
179:16-19	Q. Okay. So maybe five percent of your clients’ portfolios you would have invested private funds like RD Legal?	“Q. Okay. So maybe five percent of your clients’ portfolios you would have invested in private funds like RD Legal?”
182:13-14	A. . . . so their job was to get to the data from RD Legal . . .	A. . . . so their job was to get to the data from RD Legal . . .
192:21-24	Q. . . . “The domestic fund will purchase from law firms and attorneys certain other accounts receivable representing legal fees derived by the law firms’ and attorneys’ litigations, judgments, and settlements.” . . .	Q. . . . “The domestic fund will purchase from law firms and attorneys certain of their accounts receivable representing legal fees derived by the law firms ² and attorneys ² from litigations, judgments, and settlements.” . . .
193:13-16	Q. And turning to page 32, the next page of the Form ADV, under paragraph 2 it describes that, “The domestic fund of RD Legal may also provide secured lines of credit to law firms and attorneys.”	Q. And turning to page 32, the next page of the Form ADV, under paragraph 2 it describes that, “ T the domestic fund of RD Legal may also provide secured lines of credit to law firms and attorneys.” [delete quotation marks]
194:11-12	Q. . . . the documents you received in read, correct?	Q. . . . the documents you received and read, correct?
194:14-16	Q. And the Form ADV states that the RD Legal Funding Partners will have the following investment and strategies.	Q. And the Form ADV states that the RD Legal Funding Partners will have the following investment objectives and strategies.
194:19-20	Q. And and one of the investments in strategies was . . .	Q. And and one of the investments objectives and in strategies was . . .
198:7-9	Q. Now, it says, “The partnership’s investment objective is to generate attractive and stable income while preserving its capital.”	Q. Now, it says, “The partnership’s investment objective is to generate attractive and stable current income while preserving its capital.”
205:9-14	Q. Yes. It says, “Periodically the	Q. Yes. It says, “Periodically the

Citation	Original Text	Proposed Correction
	<p>partnership may be presented with opportunities to provide capital to law firms which doesn't lend itself to the constraints of either factoring or lines of credit products."</p> <p style="text-align: center;">Other advances, do you see that?</p>	<p>partnership may be presented with opportunities to provide capital to law firms which doesn't lend itself to the constraints of either the factoring or lines of credit products ("Other Advances"). Do you see that?</p>
208:19-22	Q. And it goes on to say, "The general partner may pursue other tactics or other techniques that it deems appropriate and in the best interests of the partnership."	Q. And it goes on to say, "The general partner may pursue other objectives or employ other techniques that it deems appropriate and in the best interests of the partnership."
211:18-21	Q. . . . The first bullet is, "24/7 electronic access for each investor of every document associated with each position in the fund," and in fact the fund could be audited remotely; do you see that, sir?	Q. . . . The first bullet is, "24/7 electronic access for each investor of every document associated with each position in the fund," and "in effect the fund can be audited remotely"; do you see that, sir?
213:21-23	Q. . . . "The legal fees which result only from settled litigation or past the point of any potential appeals or other disputes . . ."	Q. . . . "The legal fees which result only from settled litigation are past the point of any potential appeals or other disputes . . ."
221:8-10	Q. . . . "The partnership's investment objective is to generate an attractive and stable current returns while preserving its capital." . . .	Q. . . . "The partnership's investment objective is to generate an attractive and stable current income while preserving its capital." . . .
229:8	Q. . . . 2012 audited financial statements	Q. . . . 201 3 audited financial statements
229:19-20	A. . . . but qualified settlement trust they didn't ask about, no.	A. . . . but qualified settlement trust I didn't ask about, no.
253:6-7	Q. . . . "an investment in the partnership is a relatively liquid investment."	Q. . . . "an investment in the partnership is a relatively illiquid investment."
253:16-19	Q. And where it says, ". . . the partnership did not have a sufficient number of those assets invested, . . .	Q. And where it says, ". . . the partnership did not have a sufficient number of liquid assets and investments , . . .
253:20-23	Q. . . . "The partnership might have to meet such withdrawals though the sale of thinly traded illiquid assets or	Q. . . . "The partnership might have to meet such withdrawals though the sale of thinly traded or illiquid assets and

Citation	Original Text	Proposed Correction
	investments.”	investments.”
255:25	Q. . . . approximately 98 percent . . .	Q. . . . approximately <u>95</u> percent . . .
256:23	Q. . . . Exhibit 1520 . . .	Q. . . . Exhibit <u>1720</u> . . .
269:2	A. . . . Robin Dern of RD Legal . . .	A. . . . Robin <u>Dillon</u> of RD Legal . . .
269:13	Q. And Ms. Meesha . . .	Q. And Ms. <u>Ishimaru</u> . . .
281:12	Q. So Ms. Ishimaru, do you recognize Exhibit 259?	Q. So Ms. Ishimaru, do you recognize Exhibit <u>229</u> ?
283:25	Q. “. . . even once the settlement amount is returned.”	Q. “. . . even once the settlement amount is <u>determined</u> .”
295:3-6	Q. . . . It says “Pluris evaluated the new NAV which was higher than the NAV obtained using the straight-line method. I will call the inclusion of the straight line ‘X.’ When this happens, . . .	Q. . . . It says “Pluris <u>validated</u> the new NAV which was higher than the NAV obtained using the straight-line method. I will call the <u>increase over</u> the straight-line <u>method</u> ‘X.’ When this happened, . . .
298:5	Q. . . . “So in absolute value terms the money he ultimately collects does not change, . . .	Q. . . . “So in absolute <u>dollar</u> terms the <u>amount</u> he ultimately collects does not change, . . .
306:7-9	THE COURT: . . . a more effective way to go about it is to try to list on cross why the hearsay is unreliable, . . .	THE COURT: . . . a more effective way to go about it is to try to <u>elicit</u> on cross why the hearsay is unreliable, . . .
307:4-6	Q. . . . “At the time I invested in it, the only major borrower or open obligor concentration was Merck. Now we understand based on information we asked from Rick and Leo that . . .	Q. . . . “At the time I invested in it, the only major borrower or <u>ultimate</u> obligor concentration was Merck. Now we understand based on information we <u>requested</u> from Rick and Leo that . . .
307:9-11	Q. . . . “We would like to see top five obligor data as part of your monthly communication.”	Q. . . . “We would like to see top five obligor data as part of your <u>regular</u> monthly communication.”
308:11	MR. TENREIRO: Excuse me	<u>THE COURT</u> : Excuse me
309:24-25	Q. . . . “we never gated or limited our investor to access our funds,. . .	Q. . . . “we never gated or limited our investor <u>base</u> to access <u>their</u> funds, . . .
331:7-9	Q. . . . the Citicorp 28 percent as of January 31 and Novartis 11 percent exposures came as a surprise to us.	Q. . . . the Citicorp 28 percent as of January 31 and <u>Novartis</u> 11 percent exposures came as a surprise to us.

Citation	Original Text	Proposed Correction
344:9-11	Q. . . . The Peterson clients get that money. Not to complicate it. It's certainly clear enough to understand.	Q. . . . The Peterson clients get that money. Not too complicated . It's certainly clear enough to understand.
345:11-12	MR. BIRNBAUM: Your Honor, I would like	MR. TENREIRO: Your Honor, I would like
387:3-9	MR. TENREIRO: Your Honor, I know hearsay is inadmissible. I think you said yesterday you would like to have our objections just to go on weight for the record so I'm going to object on reliability and restrictions available, and I understand that hearsay might be inadmissible in any case, but I wanted to – JUDGE PATIL: Overruled.	MR. TENREIRO: Your Honor, I know hearsay is admissible . I think you said yesterday you would like to have our objections just to go on weight for the record so I'm going to object on reliability and restrictions available, and I understand that hearsay might be admissible in any case, but I wanted to – JUDGE PATIL: Overruled.
390:16-17	A. He is just telling them is going to give us more information, yes.	A. He is just telling them he's going to give us more information, yes.
408:20-21	A. . . . why he is so confident, yes, but we were – you know, Paul, Craig and I and Mr. Gumins were not so sure.	A. . . . why he is so confident, yes, but we were – you know, Paul Craig and I and Mr. Gumins were not so sure.
438:14-19	Q. When Mr. Dersovitz said “The counterparties that we’re dealing are not mom and pops. They are Fortune 500 companies that have boards, claims departments that are settling cases as a routine part of their business,” what did you understand him to be telling you?	Q. When Mr. Dersovitz said “The counterparties that we’re dealing with are not mom and pops. They are Fortune 500 companies that have boards, claims departments that are settling cases as a routine part of their business,” what did you understand him to be telling you?
466:7-9	Q. One of the things you talked about on direct also was when you received the info or marketing pitch on this woman named Meesha in an email. Do you recall that?	Q. One of the things you talked about on direct also was when you received the info or marketing pitch from this woman named Meesha in an email. Do you recall that?
497:7-9	A. That’s how they describe it in their own marketing material. It is still sitting here right now I don’t know the difference between the two.	A. That’s how they describe it in their own marketing material. It is -- still sitting here right now I don’t know the difference between the two.
593:2-4	A. . . . And today I advise others with regard to about. Depending upon how you look at it, 75, \$80 million of	A. . . . And today I advise others with regard to about, d epending upon how you look at it, 75, \$80 million of

Citation	Original Text	Proposed Correction
	capital.	capital.
681:9-13	Q. . . . “Moving forward with the Osborn matter or any other similar matter, when a client does take some of our money, our first task is to have the position fully evaluated by an independent auditor such as Schmidt Mazure.”	Q. . . . “Moving forward with the Osborn matter ₁ or any other similar type matter, when a client does take some of our money ₂ ; our first task is to have the position fully evaluated by an independent auditor ₂ such as Smith Mazure.”
690:17-18	A. Just could I – just to be clear, you’re talking on page 297-2; is that correct?	A. Just could I – just to be clear, you’re talking on page 3 97-2; is that correct?
726:15-17	A. Well, I don’t know who – who’s controlling the PR for the firm, but it’s – an ultra wealth has a new definition these days.	A. Well, I don’t know who – who’s controlling the PR for the firm, but it’s – and ultra wealthy has a new definition these days.
740:5-9	Q. -- as shown by its entry on the ECS system? A. I’m not seeing that, so I’m just going – I mean, you’re – I don’t know that the ECS system is.	Q. -- as shown by its entry on the ECF system? A. I’m not seeing that, so I’m just going – I mean, you’re – I don’t know what the ECF system is.
773:21-23	A. . . . It’s been awhile, but I looked at what was before Robertson and his court – best as I could determine it.	A. . . . It’s been awhile, but I looked at what was before Roberts and his court – best as I could determine it.
777:7-9	Q. Do you know, for example, Mr. Mantell, what impact the terrorist of risk insurance has – had on the outcome of the Peterson case?	Q. Do you know, for example, Mr. Mantell, what impact the Terrorism Risk Insurance Act has – had on the outcome of the Peterson case?
827:13-17	A. . . . So how did we get this profit? We didn’t get it, because we collected. So it seemed to me that it had to come from the valuation. That didn’t make it so. But that was my belief at the time, intuitively.	A. . . . So how did we get this profit? We didn’t get it ₂ because we collected. So it seemed to me that it had to come from the valuation. That didn’t make it so. But that was my belief at the time, intuitively. [Deleted comma. Transcript should read: “We didn't get it because we collected.”]
931:10-932:23	A. Let me think about that. Was that produced by – Witfield was not doing the audited	A. Let me think about that. Was that produced by – Woodfield was not doing the audited

Citation	Original Text	Proposed Correction
	<p>A. Yeah, I would review the – the Witfield statement on a quarterly basis </p> <p>Q. Witfield is the fund administrator, right?</p> <p>A. Right. That’s correct.</p> <p>Q. And Witfield will send account statements to persons – investors like yourself?</p> <p>A. What?</p> <p>Q. Witfield will send statements to investors like yourself --</p>	<p>A. Yeah, I would review the – the Woodfield statement on a quarterly basis</p> <p>Q. Woodfield is the fund administrator, right?</p> <p>A. Right. That’s correct.</p> <p>Q. And Woodfield will send account statements to persons – investors like yourself?</p> <p>A. What?</p> <p>Q. Woodfield will send statements to investors like yourself --</p>
963:5-8	<p>Q. When you say you got that explanation, were given it, from whom did you get that explanation?</p> <p>A. I’d say it was probably my conversation with Ryan.</p>	<p>Q. When you say you got that explanation, were given it, from whom did you get that explanation?</p> <p>A. I’d say it was probably my conversation with Roni.</p>
964:14-19	<p>Q. And did you, in particular, discuss this market issue with Mr. Dersovitz?</p> <p>A. So, back to your previous question. These notes are dated December 2011, and the diversification question is addressed. So, my assumption is that sometime in late 2011, I had a call -- a discussion with Roni.</p>	<p>Q. And did you, in particular, discuss this Merck issue with Mr. Dersovitz?</p> <p>A. So, back to your previous question. These notes are dated December 2011, and the diversification question is addressed. So, my assumption is that sometime in late 2011, I had a call -- a discussion with Roni.</p>
970:4-7	<p>Q. . . . Who is Melissa Pad?</p> <p>A. Melissa works for RD Legal.</p> <p>Q. And see writes, “Hi, Com, pleasure to meet you. . . .”</p>	<p>Q. . . . Who is Melissa Spadafora?</p> <p>A. Melissa works for RD Legal.</p> <p>Q. And she writes, “Hi, Tom, pleasure to meet you. . . .”</p>
971:3	<p>Q. You see that Miss Pad responds, and . . .</p>	<p>Q. You see that Miss Spadafora responds, and . . .</p>
985:15	<p>A. Well, t’s not written here.</p>	<p>A. Well, it’s not written here.</p>
989:6	<p>A. That seems right?</p>	<p>A. That seems right.</p>
1043:18-21	<p>Q. It was a different type of opportunity, this one special purpose vehicle that would be in the domestic</p>	<p>Q. It was a different type of opportunity, this one special purpose vehicle that wouldn’t be in the</p>

Citation	Original Text	Proposed Correction
	fund in which you were invested, right?	domestic fund in which you were invested, right?
1045:24-25	A. . . . part of the memorandum or the little two-page handout explaining the STB, it may have . . .	A. . . . part of the memorandum or the little two-page handout explaining the <u>SPV</u> , it may have . . .
1062:20	MR. TENREIRO: I just ask. . .	<u>MR. BIRNBAUM:</u> I just ask. . .
1063:22-25	JUDGE PATIL: . . . If it wasn't, then doing the further diligence I requested with regard to figuring out why it wasn't, and if there are other cats and dogs of documents that we can get . . .	JUDGE PATIL: . . . If it wasn't, then doing the further diligence I requested with regard to figuring out why it wasn't, and if there are other <u>categories</u> of documents that we can get . . .
1066:15-16	A. One, a junior analyst named Sam and senior analyst named Austin Poerre”	A. One, a junior analyst named Sam and senior analyst named Austin <u>Poirier.</u>
1070: 5-10	A. Well, it meant one less dimension of risk. I'm familiar enough with the asset class to know that there are many managers that do sort of pre-sell the funding and do different types of legal support, legal funding, but contain in them more uncertainty due to the uncertain legal obligations.	A. Well, it meant one less dimension of risk. I'm familiar enough with the asset class to know that there are many managers that do sort of <u>pre-settlement</u> funding and do different types of legal support, legal funding, but contain in them more uncertainty due to the uncertain legal obligations.
1072:20	Q. What was that a positive?	Q. <u>Why</u> was that a positive?
1075:22-23	A. . . . If you have a portfolio of 68 different bonds, the likelihood that any one bond might go bad . . .	A. . . . If you have a portfolio of 68 different bonds, the likelihood that any one <u>bond</u> might go bad . . .
1132:12-16	Q. Okay. And were you aware -- okay. And what did Ms. Drissman say? A: So I asked him what portion of the fund is in the -- the main fund is in the Iran trade, and he said 45 percent non-Iran, 55 percent Iran.	Q. Okay. And were you aware -- okay. And what did <u>Mr. Dersovitz</u> say? A: So I asked him what portion of the fund is in the -- the main fund is in the Iran trade, and he said 45 percent non-Iran, 55 percent Iran.
1141:18-22	Q. I'm just asking your interpretation of it. A. Yes. Q. Your understanding. A. Yes. I understand you're not a lawyer. Q. I mean, I understand you're not a lawyer.	Q. I'm just asking your interpretation of it. A. Yes. Q. Your understanding. A. Yes. <u>I understand you're not a lawyer.</u> Q. I mean, I understand you're not a lawyer.

Citation	Original Text	Proposed Correction
1153:22-23	Q. That’s the June 2023 PPM that was provided to you during the due diligence phase. . .	Q. That’s the June <u>2013</u> PPM that was provided to you during the due diligence phase. . .
1154:17-20	Q. Okay. And I believe one of the questions that was asked by Mr. Tamara was whether you had any understanding of a distinction between judgments and settlements during the course of your due diligence.	Q. Okay. And I believe one of the questions that was asked by Mr. <u>Tenreiro</u> was whether you had any understanding of a distinction between judgments and settlements during the course of your due diligence.
1199:4	Q. . . . Who is Ms. Chandalane?	Q. . . . Who is Ms. <u>Chandarana</u> ?
1205:13-15	Q. Then let’s turn to your email up top on July 11, 2011. And the email begins, “The first opportunity cannot be expressed . . .	Q. Then let’s turn to your email up top on July 11, 2011. And the email begins, “ <u>This</u> opportunity cannot be expressed . . .
1219:9-11	Q. How about in marking the fund? I’m not talking about the origination aspect, but marking the fund to investors.	Q. How about in <u>marketing</u> the fund? I’m not talking about the origination aspect, but <u>marketing</u> the fund to investors.
1229:1-9	Q. Now, there’s been a mention I believe in the trial of a woman Barbara Laria. Do you know who that is? A. I do. Q. And Barbara Laria, she works on underwriting the different positions that come into the firm? A. Yeah. She’s the head of that department.	Q. Now, there’s been a mention I believe in the trial of a woman Barbara <u>Laraia</u> . Do you know who that is? A. I do. Q. And Barbara <u>Laraia</u> , she works on underwriting the different positions that come into the firm? A. Yeah. She’s the head of that department.
1230:20-22	Q. Sure. The underwriting department reported to you, but that was Ms. Laria’s area of the responsibility?	Q. Sure. The underwriting department reported to you, but that was Ms. <u>Laraia’s</u> area of <u>the</u> responsibility?
1289:19-22	A. I recognize it as a summary of some case inventory for Joel Simon at Schmidt Mazure, because they performed audit work on the ONJ cases for RD Legal.	A. I recognize it as a summary of some case inventory for Joel Simon at <u>Smith</u> Mazure, because they performed audit work on the ONJ cases for RD Legal.
1402:17-18	A. Well, apparently 201 Consulting	A. Well, apparently 201 Consulting

Citation	Original Text	Proposed Correction
	was to Jim Licata.	<u>versus</u> Jim Licata.
1430:15-16	Q. . . . And they kind of walked you through Exhibit 209 for quite a bit. . . .	Q. . . . And they kind of walked you through Exhibit 202 for quite a bit. . . .
1586:23	A. Pursuant to Treasure Department license.	A. Pursuant to Treasury Department license.
1731:22-23	A. I'm sorry. Between January 1 to January -- to 10 January?	A. I'm sorry. Between January 1 to January -- to 10 June ?
1866:12-14	A. Not necessarily, because that's the end date that we get from RD Legal. We do our only analysis of that.	A. Not necessarily, because that's the end date that we get from RD Legal. We do our own analysis of that.
2023:15-17	Q. Okay. And you'll see that's a forward of a prior email from Meesha Chandalane to you and others?	Q. Okay. And you'll see that's a forward of a prior email from Meesha Chandarana to you and others?
2025:5	Q. . . . date of the email from Ms. Chandalane . . .	Q. . . . date of the email from Ms. Chandarana . . .
2122:20-23	Q. Okay. And it says that "The Osborn has been maintained on the portfolio watch list since the original law practice Beatie and Osborn dissolved in 2009."	Q. Okay. And it says that " Beatie & Osborn and Osborn Law, PC (" Osborn ") have been maintained on the Portfolio Watch List since the original law practice, Beatie & Osborn , dissolved in 2009."
2229:10-13	MR. TENREIRO: And "Law firm summary," can we go back to that one. And scroll down – let's stay on row 6 where it says "Cohen, Jayson & Foster, total collateral 16.2."	MR. TENREIRO: And "Law firm summary," can we go back to that one. And scroll down – let's stay on row 6 where it says "Cohen, Jayson & Foster, total collateral 26.2 ."
2273:19-20	A. I got it from accounting, from Pluris, and from that I already had.	A. I got it from accounting, from Pluris, and from what I already had.
2286:21-23	A. These were statistics that marketing – I believe it sent quarterly. I want to say to investors.	A. These were statistics that marketing – I believe it sent quarterly, I want to say, to investors.
2370:24-25	Q. Okay. You're not involved in those determine nations?	Q. Okay. You're not involved in those determinations ?
2418:9-12	A. . . . Scalia, but I thought from the tenor of his questions and the oral argument, that he was on our side, as was Justice Freier, and frankly, the rest of the Court Scalia, but I thought from the tenor of his questions and the oral argument, that he was on our side, as was Justice Breyer , and frankly, the rest of the Court . . .

Citation	Original Text	Proposed Correction
2442:8-9	Q. If we go back to 239-9. Just keep that 1416.	Q. If we go back to 238 -9. Just keep that 1416.
2542:17-18	A. . . . And in the back comes completion. Now, I will say this: Theirs is no measuring stick. Okay?	A. . . . And in the back comes completion. Now, I will say this: There is no measuring stick. Okay?
2649:12-22	A. Yes. I'm merely explaining to you how the management of the company read.	A. Yes. I'm merely explaining to you how the management of the company ran .
2740:1-2	A. . . . how does interest rate movement in the general market affect the 3-1/2 percent, is it favorable, less, more.	A. . . . how does interest rate movement in the general market affect the 13-1/2 percent, is it favorable, less, more.
2745:17-18	Q. And you recognize this as the subscription agreement for your?	Q. And you recognize this as the subscription agreement for you ?
2748:8-10	Q. Okay. Lastly, sir, subparagraph (a) it says, "The new limited partner is entering into the subscription agreement rely solely on the facts and terms . . .	Q. Okay. Lastly, sir, subparagraph (a) it says, "The new limited partner is entering into the subscription agreement relying solely on the facts and terms . . .
2755:5-8	A. . . . I think it went beyond that. I think what the piece that you referring to demonstrates is just a general operational mode of the fund, the various elements contained within the fund.	A. . . . I think it went beyond that. I think what the piece that you're referring to demonstrates is just a general operational mode of the fund, the various elements contained within the fund.
2756:10-11	Q. What about looking at marketing materials and PISH from the manager?	Q. What about looking at marketing materials and pitch from the manager?
2759:3-4	Q. What does that mean, as an investor what does that meant?	Q. What does that mean, as an investor what does that mean ?
2762:18-2763:1	Q. Going down the lower it says "Lack of Liquidity of Partnership Assets Valuation." It says, "Partners have assets in investment will include financial instruments or obligations for which no market exists or restricted as to their transferability. The sale of any such investments may be possible only at substantial discounts and may be extremely difficult to value accurately any such investments." What did you	Q. Going down the lower it says "Lack of Liquidity of Partnership Assets Valuation." It says, " Partnership assets and investments will include financial instruments or obligations for which no market exists or which are restricted as to their transferability. The sale of any such investments may be possible only at substantial discounts and it may be extremely difficult to value accurately any such investments."

Citation	Original Text	Proposed Correction
	understand that to mean?	What did you understand that to mean?
2765:21-22	Q. What is the Pluris report? It lists AMP domestic and offshore documents and additional . . .	Q. What is the Pluris report? It lists <u>AUP</u> domestic and offshore documents and additional . . .
2777:10	Q. The second bullet, “The legal fees which arised . . .	Q. The second bullet, “The legal fees which <u>arise</u> . . .
2793:3-6	Q. . . . If you see on the bottom, where you write “Kevin, I don’t believe you answered the question below participation deals.”	Q. . . . If you see on the bottom, where you write “Kevin, I don’t believe you answered the question below <u>re</u> participation deals.”
2796:21-22	Q. Under number 2, “I believe Roni told me the domestic fund has a currently \$6 million fund in the Iranian judgment”?	Q. Under number 2, “I believe Roni told me the domestic fund has <u>a</u> currently <u>a</u> \$6 million <u>loan</u> in the Iranian judgment”?
2804:5-6	Q. In that first sentence, “Mr. Dersovitz, I was planning on waiting a week or so. . .	Q. In that first sentence, “ <u>Dear Mr. Geraci</u> , I was planning on waiting a week or so. . .
2833:13-14	Q. How would you characterize investments already legal in terms of liquidity?	Q. How would you characterize investments <u>in RD Legal</u> in terms of liquidity?
2836:8-9	A. Yes. In fact it’s the 2013 operating memorandum.	A. Yes. In fact it’s the 2013 <u>offering</u> memorandum.
2837:16-19	Q. Did you review the 2012 also? A. I probably did. I know ’08 was the first one we were made available. I would assume we – I reviewed the 2001.	Q. Did you review the 2012 also? A. I probably did. I know ’08 was the first one we were made available. I would assume we – I reviewed the <u>2012</u> .
2849:2-4	Q. The underlying assets are highly liquid in the portfolio? A. That is my understanding.	Q. The underlying assets are highly <u>illiquid</u> in the portfolio? A. That is my understanding.
2853:10	Q. . . . The bottom half of the page there’s an e-mail from Ernie York to Melissa Spafora . . .	Q. . . . The bottom half of the page there’s an e-mail from Ernie York to Melissa <u>Spadafora</u> . . .
2863:24-25	Q. I’m showing you that to orient you. I want to go on to 6925 . . .	Q. I’m showing you that to orient you. I want to go on to 69 <u>25</u> . . .
2864:22-25	A. We knew it was being petitioned to the Supreme Court. I mean any type of litigation that – partition that was	A. We knew it was being petitioned to the Supreme Court. I mean any type of litigation that – <u>petition</u> that was going

Citation	Original Text	Proposed Correction
	going to go to the Supreme Court who knows what the outcome would be.	to go to the Supreme Court who knows what the outcome would be.
2869:7	Q. If you go to 2128-2 . . .	Q. If you go to 2182 -2 . . .
2874:1-2	Q. You will see the last sentence on an e-mail from you to Ms. Spafora . . .	Q. You will see the last sentence on an e-mail from you to Ms. Spadafora . . .
2879:8-12	A. I believe which is a company that review their procedures and they file report that at least annually of – you know, kind of agreed upon procedures I believe is the term they use. Within that document, they list positions that are in the mist of a workout.	A. I believe Wiss is a company that review their procedures and they file report that at least annually of – you know, kind of agreed upon procedures I believe is the term they use. Within that document, they list positions that are in the midst of a workout.
2893:25-2894:1	A. Before that I was mistaken in an answer. George Merconic actually wanted to invest at one point . . .	A. Before that I was mistaken in an answer. George Mrkonic actually wanted to invest at one point . . .
2902:16-18	Q. Why do you think it doesn't allowed the latitude to go invest in gold without first talking to investors?	Q. Why do you think it doesn't allow the latitude to go invest in gold without first talking to investors?
2905:10-14	A. . . . And the same with judgments when a corpus of money has been restrained. It's the period of time between when someone can edit into settlement or judgment where a corpus of money has been restrained and when you can collect it.	A. . . . And the same with judgments when a corpus of money has been restrained. It's the period of time between when someone can enter into settlement or judgment where a corpus of money has been restrained and when you can collect it.
2906:7-8	A. . . . the good news is that I settled your case on the chief . . .	A. . . . the good news is that I settled your case on the cheap . . .
2909:15-2910:2	<p>Q. . . . can you estimate when you first realized investors weren't understanding your pitch?</p> <p>A. At least when Mr. Waki was served.</p> <p>Q. Not before that?</p> <p>A. It's a complicated structure. People understood that ideal and settle cases, people understood there's still an intervening court process. That's the reason for the delay. With that intervening court process, you had judicial process. Think about it, if I –</p>	<p>Q. . . . can you estimate when you first realized investors weren't understanding your pitch?</p> <p>A. At least when the OIP was served.</p> <p>Q. Not before that?</p> <p>A. It's a complicated structure. People understood that I deal in settled cases, people understood there's still an intervening court process. That's the reason for the delay. With that intervening court process, you had judicial process. Think about it, if I – if I tell someone that I will fund before</p>

Citation	Original Text	Proposed Correction
	if I tell someone that I will fund the four final core approval, doesn't that connote to you there is some risk in that trade?	final <u>court</u> approval, doesn't that connote to you there is some risk in that trade?
2920:20-23	MR. TENREIRO: . . . I think it would be helpful for myself or Mr. Pola to explain to the court and have on the record what changes were made to the exhibits that they referred and hopefully now be admitted.	MR. TENREIRO: . . . I think it would be helpful for myself or <u>Ms. Coppola</u> to explain to the court and have on the record what changes were made to the exhibits that they referred and hopefully now be admitted.
3015:4-9	Q. Okay. It says here – let me direct you to the bottom half of the email from Katarina Markovic to yourself dated February 28, 2013. It says, “Warren, Joe mentioned that he saw you last week while in Arizona, and he had asked that I contacted you. . . .	Q. Okay. It says here – let me direct you to the bottom half of the email from Katarina Markovic to yourself dated February 28, 2013. It says, “Warren, Joe mentioned that he saw you last week while in Arizona, and he had asked that I <u>contact</u> you. . . .
3030:11-14	Q Okay. And I think you say, “Roni, thank you for your reply. You answered most questions. But I need a response to the following questions as priestly indicated.	Q Okay. And I think you say, “Roni, thank you for your reply. You answered most questions. But I need a response to the following questions as <u>previously</u> indicated.
3059:23-24	Q. In your binder, which is Exhibit 2092, under core 1, there's an email that is shown that . . .	Q. In your binder, which is Exhibit 2092, <u>underscore</u> 1, there's an email that is shown that . . .
3105:18-22	Q. And then it goes on to say – describe a little bit about that unsettled case inventory. And then talks about who the obligor is, RDLS Concentration Lending for the Novartis Pharmaceuticals Company.	Q. And then it goes on to say – describe a little bit about that unsettled case inventory. And then talks about who the obligor is, <u>RDLF's concentration limits</u> for the Novartis Pharmaceuticals Company.
3129:7-9	Q. Mr. Schall, when you say “the current audit,” you were auditing RD Legal; is that correct? A. Direct.	Q. Mr. Schall, when you say “the current audit,” you were auditing RD Legal; is that correct? A. <u>Correct.</u>
3133:9-10	Q. So, sir, let's – if you don't mind, you have in front of you Exhibit 2226; is that correct?	Q. So, sir, let's – if you don't mind, you have in front of you Exhibit <u>2262</u> ; is that correct?
3162:14-16	Q. . . . There's a place on 2476-2 that says, “The appraiser concluded a value of \$141,663,839 for the	Q. . . . There's a place on 2476-2 that says, “The appraiser concluded a value of \$141,663,839 <u>for</u> the portfolio.”

Citation	Original Text	Proposed Correction
	portfolio.”	
3197:13-15	A. Marcum’s opinion says that the financial statements presented as a whole present fairly condition of RD Legal Funding Partners.	A. Marcum’s opinion says that the financial statements presented as a whole present fairly the condition of RD Legal Funding Partners.
3297:7	Q. And the same group as Alan Demby?	Q. And the same group as <u>Allen</u> Demby?
3297:9	Q. And the same group as Steven Willis?	Q. And the same group as Steven <u>Wils</u> ?
3321:22; 3322:3; 3322:6; 3322:9	Wills	<u>Wils</u>
3330:23; 3331:13; 3331:16; 3331:23; 3331:25	Mrkonick	<u>Mrkonic</u>
3347:19-20	Q. And you were asked about Alan Mantell and Alan Demby and Steven Wills . . .	Q. And you were asked about Alan Mantell and <u>Allen</u> Demby and Steven <u>Wils</u> . . .
3370:7	Q. The fund administrator would field, send the reports to you each month; is that right?. . .	Q. The fund administrator <u>Woodfield</u> would field , send the reports to you each month; is that right?. . .
3383:4-6	Q. Meaning if the party who has the obligation is Apple, you would view that differently as if it’s some distress company, for example?	Q. Meaning if the party who has the obligation is Apple, you would view that differently <u>than</u> if it’s some <u>distressed</u> company, for example?
3395:19-20	Q. . . . If I could ask you to turn to Exhibit 2743.	Q. . . . If I could ask you to turn to Exhibit 27 <u>33</u> .
3403:2; 3403:9; 3439:4; 3439:6; 3439:15	Perliss	<u>Perles</u>
3404:9-10	A. . . . we came to a study . . .	A. . . . we came to a -study . . .
3415:14-15	A. . . . flyspecking all the case sites . . .	A. . . . flyspecking all the case <u>cites</u> . . .

Citation	Original Text	Proposed Correction
3423:4-7	A. . . . And my recollection is that widowed down to the bank. That’s a recollection. Then we evaluated the plaintiffs’ appellees brief in response and then finally the replied brief that was filed after that.	A. . . . And my recollection is that winnowed down to the bank. That’s a recollection. Then we evaluated the plaintiffs’ appellees brief in response and then finally the reply brief that was filed after that.
3502:6-7	Q. Can you put 446 on the screen, please?	Q. Can you put 4 5 6 on the screen, please?
3522:25; 3523:5; 3523:18; 3554:14; 3554:22; 3557:17; 3558:16	Fergash	Furgatch
3547:10-11	A. . . . When you see the top five concentration being the financials	A. . . . When you see the top five concentration being in the financials
3548:25	Q. 2710-1, correct, sir.	Q. 270 -1, correct, sir.
3558:15; 3558:19	Gervachi	Geraci
3612:17-22	Q. . . . Subject: “Perliss. Attachments. Peterson on title. Please follow the lotus, et cetera. New sanctions on Iran.” And it says, “Mr. Gumins, per Roni’s request, attached, you will find copies of recent e-mail corresponding, received regarding the Perliss transactions. . . .	Q. . . . Subject: “ Perles . Attachments. Peterson on title. Please follow the lotus, et cetera. New sanctions on Iran.” And it says, “Mr. Gumins, per Roni’s request, attached, you will find copies of recent e-mail correspondence received regarding the Perles transactions. . . .
3615:8-10	A. . . . At the time I invested, the only major borrower or ultimate obligor concentration was Mark. . . .	A. . . . At the time I invested, the only major borrower or ultimate obligor concentration was Merck
3666:9-10	Q. “. . . I appreciate the fact that lumpiness is to be avoid. . . .	Q. “. . . I appreciate the fact that lumpiness is to be avoided
3673:19-23	Q. If you had read this e-mail, do you think you would have taken a look and seen -- A: I would have read the e-mail. It goes into aspects I’m not interested in. The reason I’m successful is I focus on what I'm good	Q. If you had read this e-mail, do you think you would have taken a look and seen -- A: I wouldn’t have read the e-mail. It goes into aspects I’m not interested in. The reason I’m successful is I focus on what I'm good at.

Citation	Original Text	Proposed Correction
	at.	
3678:10-11	A. . . . You read the ones that you want me to read . . .	A. . . . You read the ones that you want me to read . . .
3682:3-6	A. But still, they're discussing it. But I want to know part of -- I thought this was 2013. I'm sorry for my error. I want to know part of Iran so I wouldn't pay any attention to this.	A. But still, they're discussing it. But I wanted no part of -- I thought this was 2013. I'm sorry for my error. I wanted no part of Iran so I wouldn't pay any attention to this.
3687:10	A. . . . Frank Torres never did that . . .	A. . . . Brian Torres never did that . . .
3697:18-20	Q. Any reason to believe that you didn't engage in this e-mail exchange with Mr. Dersovitz, January 2015?	Q. Any reason to believe that you didn't engage in this e-mail exchange with Mr. Dersovitz, January 201 3 ?
3711:9	Q. . . . Do you understand, Your Honor?	Q. . . . Do you understand, sir ?
3735:24-3736:1	A. . . . But people that do things wrong can have an inability to rationalize that they didn't do something wrong.	A. . . . But people that do things wrong can have an ability to rationalize that they didn't do something wrong.
3738:13	Q. After you got your MA at Darden . . .	Q. After you got your MBA at Darden . . .
3750:8	Q. Mr. Puls, will you please go to 126617 . . .	Q. Mr. Puls, will you please go to 1266-17 . . .
3751:19 & 3751:24	126621	1266-21
3756:13	126635	1266-35
3760:17	170605	1706-05
3761:25	14312	1431-2
3767:18	Rocky Rowella	Rick Rowella
3772:25; 3774:17; 3795:9; 3801:18	piece	peace
3833:9	Mr. Icon	Mr. Icahn
3847:5; 3853:17; 3854:2; 3877:3;	Perliss	Perles

Citation	Original Text	Proposed Correction
3877:10; 3877:11; 3887:10; 3910:14		
3870:9	A. It's an old MVL . . .	A. It's an old MDL . . .
3882:16; 3882:25; 3883:8	Fergash	<u>Furgatch</u>
3883:11; 3883:16; 3886:10	Wills	<u>Wils</u>
3896:16	A. They're saying there's no risking it.	A. They're saying there's no <u>risk in</u> it.
3979:11-12	A. . . . And basically -- I was -- responsibility for decision to leave Lehman . . .	A. . . . And basically -- I was -- <u>responsible</u> for <u>the</u> decision to leave Lehman . . .
3983:3	A. The SEC actually read it. . .	A. The SEC actually <u>made</u> it. . .
4038:21-22	A. . . . You're not going to pick a valuation expert that I thought had good experience . . .	A. . . . You're <u>not</u> going to pick a valuation expert that I thought had good experience . . .
4048:15-20	A. . . . I mean, to get a pitch, you know, a 20-minute or 30-minute elevated pitch and think that that's all the diligence that you have to do, and then be surprised when you read about a position in the Wall Street Journal, that's not doing due 20 diligence.	A. . . . I mean, to get a pitch, you know, a 20-minute or 30-minute <u>elevator</u> pitch and think that that's all the diligence that you have to do, and then be surprised when you read about a position in the Wall Street Journal, that's not doing due 20 diligence.
4080:18	A. . . . you know, there wasn't a separation of policy there. . .	A. . . . you know, there wasn't a separation of <u>powers</u> there. . .
4126:19	Q. . . . It's going to be 2993 . .	Q. . . . It's going to be <u>2393</u> . . .
4237:16-17	A. . . . And you got to take a look at their -- disposition. . . .	A. . . . And you got to take a look at their -- <u>top positions</u>
4451:3-4	Q. Just to be clear, Ms. Hirsch, you engaged as a consultant in 2010; is that right?	Q. Just to be clear, Ms. Hirsch, you <u>were</u> engaged as a consultant in 2010; is that right?
4476:15	Q. . . . Did you form a review at the time . . .	Q. . . . Did you form a <u>view</u> at the time . . .
4574:2-3	A. We did talk about the special	A. We did talk about the special

Citation	Original Text	Proposed Correction
	situations fund . . .	<u>opportunities</u> fund . . .
4674:17-19	A. . . . And so we would take whatever steps we believe necessary to decide are be comfortable with the person or the team that is overseeing that, those assets.	A. . . . And so we would take whatever steps we believe necessary to decide <u>or</u> be comfortable with the person or the team that is overseeing that, those assets.
4675:17-20	A. . . . It was interested to us, because of the – it felt like it served a niche within the legal community and the return in the 13 percent range was attractive from that perspective.	A. . . . It was <u>interesting</u> to us, because of the – it felt like it served a niche within the legal community and the return in the 13 percent range was attractive from that perspective.
4679:1	Q. Who is Ms. Chandra?	Q. Who is Ms. <u>Chandarana</u> ?
4685:4-5	Q. . . . So the first columns, B, C, and D, these are the names of depositions; is that right?	Q. . . . So the first columns, B, C, and D, these are the names of <u>the positions</u> ; is that right?
4700:22-24	Q. Do you recognize what this is? A. It had be one of their quarterly reports on agreed-upon procedures by that company.	Q. Do you recognize what this is? A. It had <u>to</u> be one of their quarterly reports on agreed-upon procedures by that company.
4726:23-4727:1	A. I don't know whether I knew it before – while we were still an investor or we had gotten out, but I did not at some point that RD Legal was investing both in fee receivables and plaintiff judgements.	A. I don't know whether I knew it before – while we were still an investor or we had gotten out, but I did <u>know</u> at some point that RD Legal was investing both in fee receivables and plaintiff <u>judgments</u> .
4760:20-22	A. I reuse RDLF document library for all of our needs at underwriting. And we have an archive document library also.	A. I <u>use</u> RDLF document library for all of our needs at underwriting. And we have an archive document library also.
4779:16-17	A. Normally we would convert a case file into an archive file if we've closed to file.	A. Normally we would convert a case file into an archive file if we've closed <u>the</u> file.
4833:18-20	A. It says, "Peterson et al v. Islamic Republic of Iran. This is a cold sealed proceeding Schedule A-4."	A. It says, "Peterson et al v. Islamic Republic of Iran. This is a <u>court</u> sealed proceeding Schedule A-4."
4848:14	A. This one, 175,486 document.	A. This one, 175,486 <u>documents</u> .
5003:8-9	A. . . . I worked as an asset allocator managing fund to funds.	A. . . . I worked as an asset allocator managing a fund <u>of</u> funds.

Citation	Original Text	Proposed Correction
5005:22-25	A. ... The other reason is that investors want to see funds serviced by an administrator, particularly with regard to independents on accounting and movements of money and financial controls.	A. ... The other reason is that investors want to see funds serviced by an administrator, particularly with regard to <u>independence</u> on accounting and movements of money and financial controls.
5008:21-22	A. I'm not sure exactly in the case of RD, but 99 percent of your clients, we have language written into the document . . .	A. I'm not sure exactly in the case of RD, but 99 percent of <u>our</u> clients, we have language written into the document . . .
5033:21-22	MR. ROTH: You know, I would like to move to admit Exhibit 1544 into evidence.	MR. ROTH: <u>Your Honor</u> , I would like to move to admit Exhibit 1544 into evidence.
5044:22-23	THE WITNESS . . . Typically these questioners will ask about accounting, so accounting people would answer that part.	THE WITNESS . . . Typically these <u>questionnaires</u> will ask about accounting, so accounting people would answer that part.
5059:21-22	Q. And as Paloma Partners Management company – is that correct, sir?	Q. And <u>at</u> Paloma Partners Management company – is that correct, sir?
5064:19-21	Q. You've thought over 30 graduate-level classes on the operation of hedge funds; is that right?	Q. You've <u>taught</u> over 30 graduate-level classes on the operation of hedge funds; is that right?
5066:4-5	A. This was after long-term capital management imploded in 1998.	A. This was after <u>Long-Term Capital Management</u> imploded in 1998.
5066:8-9	Q. And briefly, what was long-term capital management?	Q. And briefly, what was <u>Long-Term Capital Management</u> ?
5079:23-5080:25	Q. . . . accredited investors should have understood that the fund's marketing materials were meant to provide a brief summary	Q. . . . accredited investors should have understood that the <u>funds'</u> marketing materials were meant to provide a brief summary
5081:16-17	Q. . . . the flexibility provided to the fund's investment manager under the terms of the offering memoranda . . .	Q. . . . the flexibility provided to the <u>funds'</u> investment manager under the terms of the offering memoranda . . .
5082:19-21	Q. . . . RDLC accurately reported to investors the composition of the fund's portfolio . . .	Q. . . . RDLC accurately reported to investors the composition of the <u>funds' portfolios</u> . . .
5083:7-8	A. . . . the international association of engineers published	A. . . . the <u>International Association of Financial Engineers</u> published

Citation	Original Text	Proposed Correction
5084:15-16	THE WITNESS: . . . I don't want into get too great detail . . .	THE WITNESS: . . . I don't want <u>to get into</u> great detail . . .
5085:15-17	A. . . . Incentive compensation, employees leverage – and I forget what the third one is.	A. . . . Incentive compensation, <u>employs</u> leverage – and I forget what the third one is.
5089:16	Q. Terms of hurdle rate?	Q. <u>In terms</u> of hurdle rate?
5097:9-1	A. . . . Again, it's now to get hired.	A. . . . Again, it's <u>not</u> to get hired.
5099:13-13	Q. . . . Implications of the growth of hedge funds.	Q. . . . Implications of the <u>Growth of Hedge Funds</u> .
5100:13-14	Q. . . . the 2003 report implications of the growth of hedge funds.	Q. . . . the 2003 report <u>Implications of the Growth of Hedge Funds</u> .
5147:9-23	<p>A. Well, it says – a couple of things. First of all, it says “The assets will be exposed entirely to the risks without protection against loss afforded by diversification.”</p> <p>So that's the first thing it tells me. So there – it tells me there won't be diversification.</p> <p>Then it tells me “The concentration increases investment risk as well as the portfolio volatility.”</p> <p>And then it tells me, “Given the – this concentration – well, accordingly, the value of a partnership investment may fluctuate more widely given this concentration as compared with the fluctuation expected in a broadly diversified portfolio.”</p>	<p>A. Well, it says – a couple of things. First of all, it says “The assets will be exposed entirely to the risks <u>of such investment</u> without the <u>protections</u> against loss afforded by diversification.”</p> <p>So that's the first thing it tells me. So there – it tells me there won't be diversification.</p> <p>Then it tells <u>me, the</u> concentration “increases investment risk as well as the portfolio volatility.”</p> <p>And then it tells me, <u>given</u> the –this concentration – well, “<u>accordingly</u>, the value of a partnership investment may fluctuate more widely given this concentration as compared with the fluctuation expected in a broadly diversified portfolio.”</p>
5151:9-10	Q. “some excerpts from the June 2013 offering document.”	Q. some excerpts from the June 2013 offering document. [delete internal quotation marks]
5151:13	Q. . . . “The funds would,” . . .	Q. . . . <u>t</u> he funds would, . . .” [delete internal quotation marks]
5158:11-12	A. . . . They could pull up the fund manager and ask, . . .	A. . . . They could <u>call</u> up the fund manager and ask, . . .
5158:18-20	Q. Now, Mr. Metzger, you testified	Q. Now, Mr. Metzger, you testified

Citation	Original Text	Proposed Correction
	earlier today that you are the valuation committee of Paloma Partners; is that right?	earlier today that you were on the valuation committee of Paloma Partners; is that right?
5195:3-5	A. If you have many, many positions, whether it's on Lotus Notes or whenever it is, if there's lots of positions . . .	A. If you have many, many positions, whether it's on Lotus Notes or wherever it is, if there's lots of positions . . .
5221:4-6	THE WITNESS: . . . "It's not to be construed as a solicitation nor does it constitute advice, advisement, otherwise."	THE WITNESS: . . . "It's not to be construed as a solicitation nor does it constitute advice, investment or otherwise."
5221:12-14	THE WITNESS: ". . . While we believe our statements to be true, they always depend on the – reliably your own credible sources."	THE WITNESS: ". . . While we believe our statements to be true, they always depend on the – reliability of our own credible sources."
5235:18-19	A. . . . Oh, it's the broad investment manager that I see in other hedge funds.	A. . . . Oh, it's the broad investment mandate that I see in other hedge funds.
5235:25-5236:2	A. . . . The investor would recognize this as another example of another way of writing broad investment manager.	A. . . . The investor would recognize this as another example of another way of writing broad investment mandate .
5257:19-20	A. . . . factoring is sort of a quasi defined term PPM.	A. . . . factoring is sort of a quasi defined term in the PPM.
5282:19-21	A. So this is further the domestic fund subscription agreement, for example, states as follows: "Subscriber confirms that . . .	A. So this is, "Further, the Domestic Fund's Subscription Agreement , for example, states as follows: "Subscriber confirms that . . .
5299:22-23	A. . . . If you don't know what was the – was the – mixing of the portfolio is . . .	A. . . . If you don't know what was the – was the – mix of the portfolio is . . .
5306:17-19	A. No. I certainly call them material. I would be contradicting my testimony about the importance of redeeming the DDQ.	A. No. I certainly call them material. I would be contradicting my testimony about the importance of reviewing the DDQ.
5357:10-11	A. . . . "an attorney at law firm.	A. . . . "an attorney or law firm.
5357:16-17	Q. But if an investor sees that it says,	Q. But if an investor sees that it says,

Citation	Original Text	Proposed Correction
	“Borrower, attorney at law firm,” . . .	“Borrower, attorney or law firm,” . . .
5494:5-9	Q. With regard to this 2013 offering memorandum and the sentence that’s highlighted here, “All of the receivables purchased ending in judgment debtor” on the fourth page of paragraph 13, did you think that investors would only read that sentence?	Q. With regard to this 2013 offering memorandum and the sentence that’s highlighted here, “All of the receivables purchased” ending in “judgment debtor” on the thirteenth page of paragraph 4 , did you think that investors would only read that sentence?
5501:1-4	A. . . . the reason for that payment delay is typically an intervening core process. That intervening core process typically means	A. . . . the reason for that payment delay is typically an intervening court process. That intervening court process typically means
5517:14-19	A. “From time to time, will be concentration in the portfolio. Due to the private nature of the market and the sensitivity of the opportunities, the manager will take advantage of exceptional opportunities in size, and then diversify with new allocations and recycled capital.”	A. “From time to time, there will be concentration in the portfolio. Due to the private nature of the market and the time sensitivity of the opportunities, the manager will take advantage of exceptional opportunities in size, and then diversify with new allocations and recycled capital.”
5644:4-6	Q. “Over time, markets change, and the general partner will cease to capitalize on attractive opportunities wherever they might be.”	Q. “Over time, markets change, and the general partner will seek to capitalize on attractive opportunities wherever they might be.”
5649:9-10	Q. Did the RD Legal investor funds purchase any receivables to the RD Legal case?	Q. Did the RD Legal investor funds purchase any receivables to the Peterson case?
5659:10-11	Q. So you’ll see this is an email from RD Legal Administration Woodfield.	Q. So you’ll see this is an email from RD Legal’s administrator , Woodfield.
5698:1-4	A. . . . Both our ADV, the amended ADV – the following year I suppose, because we had updated it, and then a – then a notification of reregistration. I hope I was clear.	A. . . . Both our ADV, the amended ADV – the following year I suppose, because we had updated it, and then a – then a notification of deregistration . I hope I was clear.
5778:9; 5778:15; 5778:16; 5778:23; 5801:25; 5802:11;	qui tem	qui tam

Citation	Original Text	Proposed Correction
5803:4; 5803:7; 5810:25; 5811:5; 5811:18		
5812:14-15	Q. . . . There's a section at the bottom, "What level of transparencies does RD LLC offer investors?"	Q. . . . There's a section at the bottom, "What level of transparency does RD LLC offer investors?"
5841:13-14	A. Because of fear that our form documents end or our trades would become public knowledge . . .	A. Because of fear that our form documents and/or our trades would become public knowledge . . .
5864:10	480,0810	<u>480,810</u>
5880:3-4	A. . . . But he then began to speak of getting letters of derogatory for an Italian deposition.	A. . . . But he then began to speak of getting letters of rogatory for an Italian deposition.
5880:18	. . . the Hauppauge convention the Hague convention . . .
5895:16-18	A. . . . It was only meaning the plaintiffs weren't going to be successful.	A. . . . It was over meaning the plaintiffs were going to be successful.
6003:14-16	A. This is the user page of RD Legal Capital's secure website that I referred to a moment.	A. This is the user page of RD Legal Capital's secure website that I referred to a moment ago .
6006:5-8	A. These are the current listers that have requested access, and not yet redeemed, so I wouldn't have deleted them yet -- been fully redeemed.	A. These are the current investors that have requested access, and not yet redeemed, so I wouldn't have deleted them yet -- been fully redeemed.
6049:16	A. I'm writing to Paul Gumins.	A. I'm writing to Paul Craig .
6128:19-20	A. I haven't stopped speaking about the Peterson opportunity until about 2010.	A. I haven't stopped speaking about the Peterson opportunity since about 2010.
6262:6-10	Q. . . . Is it your testimony that if somebody didn't understand what was meant by the paragraph we've been looking at beginning "all of the legal fee receivables," that they should ask the investment manager what that meal?	Q. . . . Is it your testimony that if somebody didn't understand what was meant by the paragraph we've been looking at beginning "all of the legal fee receivables," that they should ask the investment manager what that means?
6455:4-5	Q. Let's take a look at 1326-12 to see if that refreshes your recollection.	Q. Let's take a look at 1636 -12 to see if that refreshes your recollection.

Citation	Original Text	Proposed Correction
6514:14-16	A. Reach out to people that we've spoken to. I then had ultimately said, Sure, but I don't have high hopes.	A. Reach out to people that we've spoken to. She then had ultimately said, Sure, but I don't have high hopes.
6526:12-13	A. . . . And that's what – that is why got them to our office several months later.	A. . . . And that's what – that is what got them to our office several months later.
6602:18-20	Q. So when you're referring across funds there, you're referring to the flagship fund there, the domestic and flagship funds; is that right?	Q. So when you're referring across funds there, you're referring to the flagship fund there, the domestic and offshore funds; is that right?
6700:23-25	MR. HEALY: If the Court's ready, we're ready to provide Katarina Markovic as the next witness for spontaneous.	MR. HEALY: If the Court's ready, we're ready to provide Katarina Markovic as the next witness for Respondents .
6787:10; 6787:16	Meisel	Mizel
6869:22	Markham	Marcum