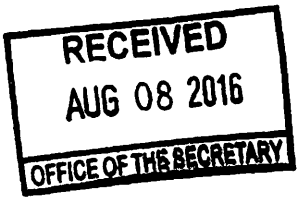
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17342



In the Matter of

RD LEGAL CAPITAL, LLC and
RONI DERSOVITZ

RESPONDENTS' MOTION FOR MORE DEFINITE STATEMENT

Pursuant to Rule 220(d) of the Securities and Exchange Commission Rules of Practice, RD Legal Capital, LLC and Roni Dersovitz ("Respondents") move for an order compelling the Securities and Exchange Commission, Division of Enforcement (the "Division") to provide a more definite statement in support of the allegations found in the Order Instituting Administrative and Cease-and-Desist Proceedings ("OIP") dated July 14, 2016. Respondents specifically request an order requiring the Division to provide a more definite statement with respect to the following items in the OIP:

- Identify the "certain investors" and "some investors" referred to in Paragraph 22 and state the approximate date and manner (*i.e.*, via email or in person) by which the documents referred to therein were "provided" or "made available" to investors;

- Identify the "[m]any potential investors" referred to in Paragraph 31 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "some investors" referred to in Paragraph 32 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "prospective investors" and "one investment manager" referred to in Paragraph 34, as well as the approximate dates of the "various oral misrepresentations" described therein;

- Identify the "numerous investors" and "investors" referred to in Paragraph 35 and state the approximate date and manner of the alleged communications described therein;

- Identify the "some investors" referred to in Paragraph 36 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "one investor" referred to in Paragraph 37 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "investment adviser" referred to in Paragraph 38 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place, including the date and manner of the "later acknowledg[ment]" alleged;

- Identify the "another prospective investor" referred to in Paragraph 39 and "the same investor" referred to in Paragraph 40, and state the approximate date and manner of the alleged communications described therein;

- Identify the "investor" referred to in Paragraph 41 and "the same investor" referred to in Paragraph 42, and state the approximate date and manner of the alleged communications described therein;

- Identify the "investor" referred to in Paragraph 44 and state the approximate date and manner of the alleged communications described therein;

- Identify the "other investors" referred to in Paragraph 45 and state the approximate date and manner of the alleged communications described therein;

- Identify the "certain investors" referred to in Paragraph 46 and state the approximate date and manner of the alleged communications described therein;

- Identify the "one investor" referred to in Paragraph 47 and state the approximate date and manner of the alleged communications described therein;

- Specify the "other instances" of "other receivables associated with unsettled litigation" referred to in Paragraph 67;

- Specify the "certain cases" and "assets" referred to in Paragraph 68.

A Memorandum of Points and Authorities in Support of Respondents' Motion for More Definite Statement is attached hereto.

Dated: August 5, 2016
Washington, DC 20006

By: _____

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File No. 3-17342

In the Matter of

RD LEGAL CAPITAL, LLC and
RONI DERSOVITZ

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF RESPONDENTS' MOTION FOR MORE DEFINITE STATEMENT

Pursuant to Rule 220(d) of the Securities and Exchange Commission Rules of Practice, RD Legal Capital, LLC and Roni Dersovitz ("Respondents") move for an order compelling the Securities and Exchange Commission, Division of Enforcement (the "Division") to provide a more definite statement in support of the allegations found in the Order Instituting Administrative and Cease-and-Desist Proceedings ("OIP") dated July 14, 2016. For the reasons set forth below, Respondents respectfully request an order requiring the Division to identify and supplement the specific facts giving rise to the allegations contained in Paragraphs 22, 31, 32, 34-38, 39-40, 41-42, 44, 45, 46, 47, 67, and 68 of the OIP.

INTRODUCTION

RD Legal Capital, LLC ("RDLC") is a New Jersey-based adviser to two small private funds. RDLC does not provide investment advice concerning securities, and RDLC is not registered with the Commission. RDLC is the general partner of RD Legal Funding Partners, LP, a Delaware limited partnership, and the investment manager of RD Legal Funding Offshore Fund, Ltd., a Caymans Islands exempted company (collectively, the "Funds").

Roni Dersovitz is the principal of RDLC. Since 1998, Mr. Dersovitz has invested in discounted legal receivables owed to attorneys, law firms, and plaintiffs. In 2007, Mr. Dersovitz launched his domestic and offshore investor funds. The Funds have always followed the same broad investment strategy: to obtain discounted cash flows on payments in the legal industry where there is a time delay before realization due to an ongoing legal process (such as obtaining court approval in a given case). Since the creation of the Funds in 2007, all investors in the domestic fund have realized a 13.5% cumulative annual return. Investors in the offshore fund realized a 13.5% cumulative annual return from 2007 through 2014 and earned an 11.4% return in 2015. All investors in the Funds continue to realize these strong returns today.

The OIP in this matter charges Respondents with violating of Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder. Mr. Dersovitz is also charged with aiding and abetting and causing the violations of RDLC. The Division charges Respondents with fraud, yet the OIP fails to plead with reasonable particularity the specific statements the Division alleges were fraudulent, or the investors to whom these statements were made. The OIP is littered with references to "misstatements" made to unidentified "investors" without sufficient description of the alleged fraudulent statements for Respondents to determine the communication at issue, the investors to whom they were made, and the basic dates and manner in which the statements allegedly occurred.

Respondents deserve the opportunity to be able to respond to the substance of the allegations against them, and the Commission Rules of Practice—and fundamental concepts of due process and fairness—require the Division to provide sufficient detail in its order instituting

proceedings to allow such an opportunity.[1] The Division should be directed to serve a more definite statement of its charges against Respondents in this matter.

LEGAL STANDARD

Commission Rule of Practice 220 provides that, where an answer is required, an OIP must state: (1) the nature of any hearing; (2) the legal authority and jurisdiction under which the hearing is to be held; (3) the alleged factual and legal basis for the matters of fact and law to be considered and determined, in such detail as will permit a specific response thereto; and (4) the nature of any relief or action sought or taken. Rule of Practice 200(b). When the OIP fails to provide such details, "[a] party may file with an answer a motion for more definite statement of specified matters of fact or law to be determined." Rule of Practice 220(d). A motion for more definite statement must "state the respects in which, and the reasons why, each matter of fact or law should be required to be made more definite." *See* Rules of Practice; Final rules, 60 Fed. Reg. 32,738, 32,760 (Sec. & Exch. Comm'n June 23, 1995). If the motion is granted, the order granting such motion will direct the period for the Division's filing such a statement and any answer thereto. *Id.*

Federal courts have found that respondents in administrative proceedings have a basic due process right to be reasonably appraised of the issues in controversy. *See, e.g., Savina Home Ind., Inc. v. Sec'y of Labor*, 594 F.2d 1358, 1365 (10th Cir. 1979). In Commission administrative proceedings, the OIP is meant to provide such notice. *See* Commission Rule of Practice 200(a)(1). The purpose of requiring adequate notice is "to permit the respondent a

[1] On July 16, 2016, Respondents were served with the Order in this matter. On July 18, 2016, Respondents sent a letter to the Staff requesting that the Division make its investigative file available for inspection and copying, no later than July 23, 2016, pursuant to Rules of Practice 230(a)(1) and 230(d). Respondents did not receive access to the file until August 2, 2016, when they were provided the password to an encrypted hard drive containing 136 gigabytes of data with approximately 983,000 pages of documents. In light of these facts, Respondents have not been provided a meaningful opportunity to review the investigative file before having to file their answer to the Order, making it even more necessary for the Division to serve a more definite statement of the specific factual support for the charges alleged.

reasonable opportunity to prepare a defense against the theory of liability invoked by those who institute proceedings against it." *See Jaffee & Co. v. Sec. & Exch. Comm'n*, 446 F.2d 387, 394 (2d Cir. 1971) (finding that respondents cannot be reasonably expected to defend themselves against "every theory of liability or punishment that might theoretically be extrapolated from a complaint or order if one were to explore every permutation and law there alluded to or asserted.").

It is well-established that respondents are entitled to be sufficiently informed of the charges against them so that they may adequately prepare their defense. *See Morris J. Reiter Co.*, 39 S.E.C. 484, 486 (1959); *J. Logan & Co.*, 38 S.E.C. 827, 830 (1959); *Charles M. Weber*, 35 S.E.C. 79, 80-81 (1953). In *Weber* and *M.J. Reiter*, the Commission distinguished between allegations and evidence by observing that allegations are statements set forth in an OIP that sufficiently describe the charges against a respondent in a manner that permits that respondent to adequately prepare its defense. *See Weber*, 35 S.E.C. at 80-81; *M.J. Reiter*, 39 S.E.C. at 485-86; *see, e.g.*, Western Pacific Capital Management, LLC, SEC Release No. 691, 2012 WL 8700141, *2-3 (ALJ Feb. 7, 2012) (order on motion for more definite statement).

DISCUSSION

Respondents request a more definite statement with respect to the specific factual basis giving rise to the allegations found in Paragraphs 22, 31, 32, 34-38, 39-40, 41-42, 44, 45, 46, 47, 67, and 68 of OIP.[2] Specifically, the Division should be required to:

- Identify the "certain investors" and "some investors" referred to in Paragraph 22 and state the approximate date and manner (*i.e.*, via email or in person) by which the documents referred to therein were "provided" or "made available" to investors;

[2] Respondents provide the full text of these allegations in Exhibit 1, attached hereto.

- Identify the "[m]any potential investors" referred to in Paragraph 31 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "some investors" referred to in Paragraph 32 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "prospective investors" and "one investment manager" referred to in Paragraph 34, as well as the approximate dates of the "various oral misrepresentations" described therein;

- Identify the "numerous investors" and "investors" referred to in Paragraph 35 and state the approximate date and manner of the alleged communications described therein;

- Identify the "some investors" referred to in Paragraph 36 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "one investor" referred to in Paragraph 37 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place;

- Identify the "investment adviser" referred to in Paragraph 38 and state the approximate date and manner (*i.e.*, via email, telephone, or in person) in which the alleged communications described therein took place, including the date and manner of the "later acknowledg[ment]" alleged;

- Identify the "another prospective investor" referred to in Paragraph 39 and "the same investor" referred to in Paragraph 40, and state the approximate date and manner of the alleged communications described therein;

- Identify the "investor" referred to in Paragraph 41 and "the same investor" referred to in Paragraph 42, and state the approximate date and manner of the alleged communications described therein;

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- Identify the "certain investors" referred to in Paragraph 46 and state the approximate date and manner of the alleged communications described therein;

- Identify the "one investor" referred to in Paragraph 47 and state the approximate date and manner of the alleged communications described therein;

- Specify the "other instances" of "other receivables associated with unsettled litigation" referred to in Paragraph 67;

- Specify the "certain cases" and "assets" referred to in Paragraph 68.

Respondents are unable to prepare an adequate defense on the basis of the indefinite factual statements referenced above. Because the requested clarifications are the minimum necessary to enable Respondents to adequately prepare their defense, the requests do not constitute requests for disclosure of evidence in advance of the hearing, and Respondents' Motion for More Definite Statement should be granted.

A. Respondents Are Unable to Adequately Prepare Their Defense Without the Requested Information

Respondents' requests for clarification fall into two main categories: (i) requests for specific facts regarding investors or prospective investors referred to in the OIP (Paragraphs 22, 31, 32, 34-38, 39-40, 41-42, and 44-47); and where not specified, the approximate date and nature of the alleged interaction with such investors; and (ii) requests to identify certain investment assets referred to in the OIP (Paragraphs 67 and 68). These requests are appropriate because respondents are entitled to know the investor or investors to which the OIP refers, as well as the identity of specific fund investments referred to therein. *See, e.g.*, Alfred M. Bauer & J. Stephen Stout, 1996 SEC LEXIS 2546, *2 (ALJ Aug. 27, 1996) (order on motion for more definite statement).

i. Requests Regarding Investor Communications (Paragraphs 22, 31, 32, 34-38, 39-40, 41-42, 44, 45, 46, and 47)

The OIP contains numerous factual allegations regarding specific interactions that are said to have taken place between Respondents and investors (or prospective investors) over a span of at least five years. *See* OIP ¶¶ 22-25, 31-47. There are more than fifteen paragraphs that do not specify which of Respondents' hundreds of investors were involved in the communications and in many instances, the Division's allegations do not include even the year in which a communication is alleged to have taken place, *see, e.g.*, OIP ¶¶ 22, 31, 35, 41-42, 45, and in other instances do not specify whether the alleged interaction took place in person, over email, or by phone, *see, e.g.*, OIP ¶¶ 22, 31.

Respondents have taken pains to identify the essential facts giving rise to these allegations (*i.e.*, who, when, and how), based on Respondents' own testimony and the documents provided to the Division. Respondents are thus requesting clarification only with respect to certain allegations for which the Division's factual basis remains unclear. The requested information is the minimum necessary to enable Respondents to prepare an adequate defense to the charges against them. *See, e.g.*, David F. Bandimere & John O. Young, SEC Release No. 749, 2013 WL 10619168, *2 (ALJ Feb. 11, 2013) (order on motion for more definite statement) ("In light of the number of investors involved, the variety of misrepresentations and omissions potentially at issue, and the fact that the alleged conduct occurred over a period of five years, the investors and potential investors must be identified.").

ii. Requests to Identify Certain Investment Assets (Paragraphs 67 and 68)

Respondents also request the Division more clearly identify the investment assets referred to in Paragraphs 67 and 68 of the OIP. Paragraph 67 vaguely references "other instances" in which Dersovitz allegedly provided extended repayment dates to the valuation

agent where he had no basis to do so, as part of a broader discussion of "other receivables associated with unsettled litigation" for which Dersovitz extended his expected repayment date. *See* OIP ¶ 67. The OIP specifies that, for some of these "other receivables associated with unsettled litigation," Dersovitz had entered into signed agreements to extend such dates. *Id.* The OIP further alleges "other instances" in which Dersovitz extended the expected repayment date of "other receivables associated with unsettled litigation," but had no basis to do so. *Id.* The Division should clarify these "other instances." *Id.* Similarly, Paragraph 68 of the OIP alleges that Dersovitz failed to disclose to the valuation agent changes in "certain cases," leading to inflated valuations of fund "assets." OIP ¶ 68. The Division should clarify the "changes in certain cases" it says should have been disclosed and the corresponding "assets" that were allegedly inflated. Respondents again request clarification only to the extent reasonably necessary to allow them to properly respond to the Division's allegations and to prepare an adequate defense to the charges against them.

B. Respondents Are Not Requesting Disclosure of Evidence In Advance of Hearing

The requested amendments to the OIP would not require the Division to disclose evidence in advance of the hearing because the allegations at issue are insufficient and do not adequately inform Respondents of the factual basis for the charges against them.[3] "That some or all of the investors alleged as victims might testify does not make their identities purely evidence, as opposed to allegation." *See* Bandimere & Young, 2013 WL 10619168, *2 (finding

[3] Although the Federal Rules of Civil Procedure do not apply in Commission administrative proceedings (*see* Commission Rule of Practice 100), it is instructive that the OIP in this case would not withstand a motion to dismiss for failure to plead fraud with particularity. Federal Rule of Civil Procedure 9(b) provides that "[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake." Fed. R. Civ. P. 9(b). Under Rule 9(b), a plaintiff must plead "the type of facts omitted, the place in which the omissions should have appeared, and the way in which the omitted facts made the representations misleading." *Carroll v. Fort James Corp.*, 470 F.3d 1171, 1174 (5th Cir. 2006). In other words, Rule 9(b) requires the complaint set forth "the who, what, when, where, and how" of the alleged fraud at issue. *DiLeo v. Ernst & Young*, 901 F.3d 624, 627 (7th Cir. 1990) (comparing complaint requirements to "the first paragraph of any newspaper story"). The OIP in this matter falls well below that standard.

"[i]n light of the number of investors involved, the variety of misrepresentations and omissions potentially at issue, and the fact that the alleged conduct occurred over a period of five years, the investors and potential investors must be identified."). When a request for more definite statement concerns allegations, the factual bases for which are insufficient to enable respondents to prepare an adequate defense, such request will not be considered a request for evidence. *See, e.g.*, Capital Management, LLC and Kevin James O'Rourke, SEC Release No. 691, 2012 WL 8700141, *3 (ALJ 2012) (order on motion for more definite statement) (respondents' request for more definite statement with respect to allegation in OIP that respondents "failed to disclose [a 10% fee] to *each of* their clients" was not a request for evidence because the use of "each of their clients" was unduly ambiguous).

CONCLUSION

Without the benefit of a more definite statement concerning the specific acts of fraud alleged, Respondents are denied a fair opportunity to respond to the substance of the charges against them. Respondents respectfully request an order directing the Division to provide a more definite statement with regards to Paragraphs 22, 31, 32, 34-38, 39-40, 41-42, 44, 45, 46, 47, 67, and 68 of the OIP.

Dated: August 5, 2016
Washington, DC 20006

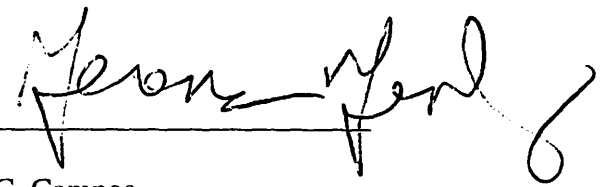
By: 

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Exhibit 1

22. In addition to these misleading marketing materials, RDLC and Dersovitz made available (upon request) other due diligence documents that contained similar misleading statements and omissions about the Funds' portfolio. For example, RDLC and Dersovitz ***provided certain investors*** with audited financial statements that obfuscated the proportion of the Funds that were invested in *Peterson* Receivables. The 2012 audited financial statements for RDLFP describes certain assets by listing "Funds under control of the US Government" as a "Payor" which comprised both *Peterson* Receivables and other receivables. The possible sources of payment in the *Peterson* Case, however, were not under the control of the U.S. government. The 2013 and 2014 audited financials for the Funds similarly spoke of concentrations in an investment for which the ultimate obligor was "Qualified Settlement Trust," which combined the *Peterson* Receivables and other Fund assets. In another example, to ***some investors***, RDLC and Dersovitz ***made available*** periodic audit documents that at times misleadingly referred to a certain receivable (the "Law Firm A Receivables," as defined below) as arising out of a settled case when, as explained, the monies advanced were to fund ongoing litigation.

OIP ¶ 22 (emphasis added).

31. The Iran SPV attracted very few investors. ***Many potential investors*** told Respondents that they were not interested in investing in the *Peterson* Case for reasons including "political risk" (*i.e.*, the investment might be impacted by United States relations with Iran), and a more general distaste for profiting from the suffering of victims of terrorism. ***Many of those investors*** were surprised to learn that by investing in the Funds, they took on an outsized exposure in the same *Peterson* Receivables they declined to pursue through the Iran SPV. ***Many of the same investors*** were particularly troubled that they had declined exposure to the *Peterson* Case through the Iran SPV, which offered a maximum annual return of 18%, only to be exposed to the same risks through funds that offered a maximum return of 13.5%.

OIP ¶ 31 (emphasis added).

32. ***Some investors*** who found out about the Funds' growing concentration in *Peterson* Receivables in 2012 withdrew their assets from the Funds and explicitly expressed to Dersovitz their distaste for the investment in the *Peterson* Case.

OIP ¶ 32 (emphasis added).

34. For example, in various oral representations made to ***prospective investors*** starting in June 2011, Dersovitz and his employees emphasized that the focus of the Funds' strategy was to invest in settled cases. Dersovitz told ***one investment manager*** in 2011 that all potential appeals had been exhausted in the matters underlying the receivables that the Funds had purchased. Dersovitz went on to assure that potential investor that the Fund was a "very diversified" portfolio with no concentration in one particular case. Dersovitz never mentioned in 2011 that the Funds were invested in the *Peterson* Receivables to the investment manager (or to certain other prospective investors in 2011).

OIP ¶ 34 (emphasis added).

35. Dersovitz emphasized to ***numerous investors*** the settled nature of the cases underlying the Funds' investments and explained that settled cases presented limited risks, unlike other litigation-financing claims that faced the risk that a case might not end favorably. Dersovitz told ***investors*** the main risk relating to settlements was "attorney theft" of monies due to the Funds. In line with his misleading offering documents, Dersovitz emphasized that attorneys had no incentive to fail to disburse proceeds to the Funds, because they would be at risk of losing their licenses.

OIP ¶ 35 (emphasis added).

36. Dersovitz told ***some investors*** as late as 2013 that there were no significant concentrations in a single case in the Funds.

OIP ¶ 36 (emphasis added).

37. At times, Dersovitz acknowledged to ***certain investors*** that the Funds had some interest in the *Peterson* Case, but on many such occasions he allayed investor concerns by stating that he expected the concentration to go down, when, in fact, he continued to purchase *Peterson* Receivables in the Funds. Dersovitz also misrepresented the Funds' exposure to the *Peterson* Case and the growing nature of the Funds' investments in that case. For example, Dersovitz told ***one investor*** that the Funds had a 5 to 7% interest in the *Peterson* Receivables in 2012, when those receivables constituted approximately 30% of the Funds' portfolio, and further assured the investor that the *Peterson* Receivables were to be "offloaded" to the Iran SPV.

OIP ¶ 37 (emphasis added).

38. Dersovitz represented to an ***investment adviser*** in 2011 that the Funds concentrated on settled cases and provided that adviser with documents stating that the Funds' assets consisted of receivables that represent the "contingent share of legal settlements reached with defendants." Dersovitz ***later acknowledged*** that 40% of the Funds' portfolio was tied to the *Peterson* Case, but assured the adviser that the Funds were working to decrease that exposure. At the same time, Dersovitz was purchasing additional *Peterson* Receivables, rapidly increasing the Funds' exposure to the *Peterson* Case.

OIP ¶ 38 (emphasis added).

39. To ***another prospective investor***, Dersovitz stated the investments the Funds "are dealing with primarily, 100%, are settled cases, so there is no litigation risk in the strategy." He explained that "the risks are duration and theft," without mentioning the key risk presented by the *Peterson* Receivables: that collection would simply fail if turnover of Iran's assets was not granted by the courts (*i.e.*, the very risk Respondents warned existed for the Iran SPV).

OIP ¶ 39 (emphasis added).

40. The IR Director told ***the same investor*** that the Funds had "to work with those that are only settled claims." This investor also received the 2012 Due Diligence Questionnaire setting forth in unequivocal terms that 95% of the Funds' portfolio consisted of law firm receivables in cases where a settlement had been reached.

OIP ¶ 40 (emphasis added).

41. The IR Director told another ***investor*** that the Funds' investment thesis was buying attorney receivables in settled cases. She further explained that the Funds were entirely unrelated to the Iran SPV without mentioning that the Funds' largest concentration was in the same *Peterson* Receivables in which the Iran SPV planned to invest its entire fund.

OIP ¶ 41 (emphasis added).

42. Dersovitz told ***the same investor*** in a subsequent meeting that the only risk facing the Funds was collection risk. Dersovitz did not mention litigation risk, even though, at that time, the Funds were not only invested in the unsettled *Peterson* Case but also had more than 20% of the Funds' assets invested in other unsettled litigation.

OIP ¶ 42 (emphasis added).

44. For example, at a time when the Funds had invested over $50 million in the *Peterson* Case, the IR Director told ***an investor*** that Dersovitz had "deployed a total of $18 [million] in the domestic fund."

OIP ¶ 44 (emphasis added).

45. To ***other investors***, Respondents conflated the total money deployed by the Funds to acquire assets with the valuations of these assets, which further obfuscated the concentration of Fund assets in particular receivables.

OIP ¶ 45 (emphasis added).

46. When ***certain investors*** found out about the Funds' investment in the *Peterson* Receivables, Dersovitz misleadingly stated that the concentration of these receivables in the Funds would decrease, even though this concentration steadily increased through the end of 2014.

OIP ¶ 46 (emphasis added).

47. Even as late as 2015, Dersovitz falsely told ***one investor*** that the Funds' maximum exposure to the *Peterson* Case, if the *Peterson* Receivables became worthless, was $12.5 million, and he told ***another investor*** that the total investment was roughly 10 to 20% of the Funds' portfolio. At that time, of the Funds' total portfolio valued at nearly $170 million, over $100 million was tied to *Peterson* Receivables, and purchases of *Peterson* Receivables constituted more than half of the Funds' deployed assets.

OIP ¶ 47 (emphasis added).

67. For ***other receivables associated with unsettled litigation***, Dersovitz provided, and later extended, his expected repayment dates for these assets, resulting in the continued accrual of interest from those investments. Dersovitz provided extended repayment dates to the VA both for matters in which he entered into signed agreements to extend such dates and in ***other instances*** where he had no such basis to extend the repayment dates.

OIP ¶ 67 (emphasis added).

68. Dersovitz failed to disclose to the VA changes in ***certain cases*** that influenced whether Dersovitz reasonably could expect to collect on those investments, which in turn led to inflated valuations for ***assets*** in the Funds by understating their riskiness.

OIP ¶ 68 (emphasis added).

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing Motion for More Definite Statement was served by electronic mail and U.S. Postal Service on this 5th day of August 2016 to Division of Enforcement's counsel:

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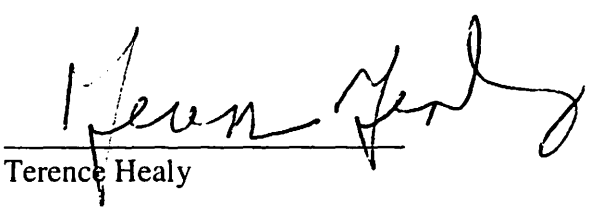

Terence Healy