

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(Palm Beach Division)**

**Case No. 9:19-CV-80633-ROSENBERG**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATURAL DIAMONDS INVESTMENT CO.,  
et al.,

Defendants,

H.S. MANAGEMENT GROUP LLC, et al.,

Relief Defendants.

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**RECEIVER’S MOTION FOR EXTENSION OF  
TIME FOR RECEIVER’S FIRST INTERIM APPLICATION  
FOR ALLOWANCE AND PAYMENT OF COMPENSATION AND  
REIMBURSEMENT OF EXPENSES; INCORPORATED MEMORANDUM OF LAW**

Jeffrey C. Schneider, not individually, but solely in his capacity as the Court-appointed Receiver (the “Receiver,”) for Natural Diamonds Investment Co. (“NDIC”), Eagle Financial Diamond Group, Inc. (“EFDG”), and Argyle Coin, LLC (“Argyle”) (collectively, the “Receivership Entities”), moves this Court for an extension of time of two weeks to file his First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses (the “First Fee Application”).

1. On May 16, 2019, this Court appointed the Receiver for Argyle in the Order Granting Plaintiff Securities and Exchange Commission’s Motion for Appointment of Receiver [DE 20] (the “Appointment Order”).

2. On July 11, 2019, this Court issued an Order expanding the receivership to include NDIC and EFDG. As a result, the Receiver is now Receiver over NDIC and EFDG in this proceeding [DE 97, 104].

3. On July 10, 2019, the Receiver filed his Motion to Employ Legal Counsel (the law firms of Sallah Astarita & Cox, LLC and Silver Law Group). The Motion to Employ Legal Counsel is currently pending and was recently argued at a hearing on August 6, 2019. The Court has required the Receiver to submit a proposed Order by August 19, 2019 [DE 120], which indicates:

[W]hether the Seigel Defendants have any remaining objections. In addition, the proposed order should set forth the basis for why the proposal is in the best interests of the receivership, with respect to cost efficiency and successful recovery of the receivership's assets.

4. Pursuant to paragraph 52 of Section XIII of the Appointment Order, the Receiver is obligated to file fee applications for himself and his professionals for each quarterly period within 45 days of the end of each quarter. The last quarter ended on June 30, 2019, so 45 days later is Wednesday, August 14, 2019. Therefore, the First Fee Application is currently due on August 14, 2019, and includes billed time through June 30, 2019 (the last quarter).

5. The First Fee Application naturally includes the Receiver's requested attorneys' billed time in May and June 2019, as the Motion to Employ has been filed *nunc pro tunc* for their work already done to benefit the Receivership Estate. However, the Motion to Employ is still pending and will be resolved following the upcoming August 19<sup>th</sup> deadline.

6. The Receiver does not believe it makes sense to submit a First Fee Application (which includes his requested attorneys' time *nunc pro tunc*) while the Motion to Employ is still

unresolved. Therefore, the Receiver respectfully requests a two-week extension of time through and including August 28, 2019, to file the First Fee Application.

7. Such a requested extension through August 28<sup>th</sup> should allow sufficient time for resolution of the Motion to Employ/the upcoming August 19<sup>th</sup> proposed Order.

#### **MEMORANDUM OF LAW**

“Rule 6(b)(1) allows a court (‘for cause shown’ and ‘in its discretion’) to grant a ‘request’ for an extension of time.” *Lujan v. Nat’l Wildlife Fed’n*, 497 U.S. 871, 110 S. Ct. 3177, 3202 & n.5 (1990). Thus, under Rule 6(b), a District Court has “broad discretion to enlarge the time for any action.” *Jarrett v. Toxic Action Wash*, 103 F.3d 129 (6<sup>th</sup> Cir. 1996). Based on the above, the Receiver has established good cause for an extension of time for the First Fee Application through and including August 28, 2019.

#### **CERTIFICATION WITH COUNSEL**

Pursuant to Local Rule 7.3, the Receiver hereby certifies that he has conferred with counsel for the SEC, the Defendants, and the Relief Defendants regarding this Motion. The SEC has not responded with its position and the Receiver believes that counsel for the SEC is currently on vacation. Counsel for Aman states that he has no opposition to the relief requested herein. Counsel for the Seigels and Relief Defendant H.S. Management Group LLC state that they have no opposition to the relief requested herein. The remaining Relief Defendants state that they have no opposition to the relief requested herein.

The Receiver respectfully requests that this Court grant this Motion, issue the proposed Order attached as Exhibit A, and provide such other relief as is just and proper.

Dated: August 13, 2019

Respectfully submitted,

Jeffrey C. Schneider, P.A.  
*Court-Appointed Receiver*  
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By: /s/ Jeffrey C. Schneider  
JEFFREY C. SCHNEIDER, P.A.

**CERTIFICATE OF SERVICE**

I hereby certify that on August 13, 2019, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing document is being served this day on all counsel of record or pro se parties identified on the attached Service List in the manner specified, either via transmission of Notices of Electronic Filing generated by CM/ECF or in some other authorized manner for those counsel or parties who are not authorized to receive electronically Notices of Electronic Filing.

By: /s/ Jeffrey C. Schneider  
JEFFREY C. SCHNEIDER, P.A.

**SERVICE LIST**

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# EXHIBIT A

**UNITED STATES DISTRICT COURT  
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NATURAL DIAMONDS INVESTMENT CO.,  
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**ORDER GRANTING RECEIVER'S MOTION FOR EXTENSION  
OF TIME FOR RECEIVER'S FIRST INTERIM APPLICATION FOR ALLOWANCE  
AND PAYMENT OF COMPENSATION AND REIMBURSEMENT OF EXPENSES**

THIS CAUSE came before the Court upon the Receiver's Motion for Extension of Time for Receiver's First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses (the "Motion") [DE 123]. The Court has reviewed the Motion, the record, and being otherwise advised in the premises, it is hereby **ORDERED and ADJUDGED** that:

1. The Motion is **GRANTED**.
2. The deadline for the Receiver to file his First Interim Application for Allowance and Payment of Compensation and Reimbursement of Expenses is extended through and including August 28, 2019.

**DONE and ORDERED** in Chambers at West Palm Beach, Palm Beach County, Florida  
on this \_\_\_\_ day of August, 2019.

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**ROBIN L. ROSENBERG**  
**UNITED STATES DISTRICT JUDGE**

Copies to Counsel of Record