

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

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.

**ORDER GRANTING IN PART
RECEIVER'S MOTION TO EMPLOY LEGAL COUNSEL**

THIS MATTER is before the Court upon the Receiver's Motion to Employ Legal Counsel, DE 101, (the "Motion") and this Court's Paperless Order, DE 120, regarding the submission of a proposed Order on the Motion. The Motion has been fully briefed. *See* Seigels' Resp., DE 109; Receiver's Reply, DE 110. In addition, the Court heard oral argument on the Motion on August 6, 2019. DE 113. The Court has reviewed briefing, the record, and the language in this Order that has been agreed to by the Receiver and the prior objecting parties (Defendants Harold and Jonathan Seigel, and Relief Defendant H.S. Management Group LLC). On this record, it is hereby **ORDERED and ADJUDGED** that:

1. The Motion [DE 101] is **GRANTED IN PART** as follows.
2. The Receiver is hereby authorized to employ his law firm, Levine Kellogg Lehman Schneider + Grossman LLP ("LKLSG"), as his legal counsel *nunc pro tunc* for purposes of the

legal issues relating to Defendants Harold and Jonathan Seigel, and Relief Defendant H.S. Management Group LLC (collectively, the “Seigel Defendants”).

3. The Receiver is hereby authorized to employ the law firms of Sallah Astarita & Cox, LLC (the “Sallah Firm”) and Silver Law Group (the “Silver Firm”) as his legal counsel *nunc pro tunc* for purposes of the legal issues that do not relate to the Seigel Defendants.

4. Therefore, as of the date of this Order, the Sallah and Silver Firms shall not handle any legal issues relating to the Seigel Defendants.

5. As represented by the Receiver in the Motion and at the August 6, 2019 hearing, the Sallah and Silver Firms have significant prior institutional knowledge in the receivership, including regarding the identification and recovery of receivership assets. Therefore, the Sallah and Silver Firms will provide continuity in the receivership and save the Receivership Estate legal fees that will inure to the benefit of the Receivership Estate.


6. According to the Motion, the attorneys at the Sallah and Silver Firms have all agreed to substantially reduce their standard hourly rates (which range from \$400.00 to \$650.00 per hour) to \$395.00 per hour in order to further increase potential recoveries for the benefit of the Receivership Estate. The Sallah and Silver Firms have also agreed to cap their rates during the life of this case. The Court is apprised that the same reductions and caps have been agreed to by the lawyers at LKLSG.

7. According to the Motion, the Receiver will use his best efforts to ensure that there is no duplication of efforts or overlap of work by his attorneys.

8. Given that LKLSG shall be handling the legal issues relating to the Seigel Defendants, the Court is apprised that the Seigel Defendants do not have any remaining objections to the Motion to Employ.

9. Based on the above, the employments of LKLSG, the Sallah Firm, and the Silver Firm as the Receiver's legal counsel are in the best interests of the receivership, with respect to cost efficiency and successful recovery of the receivership's assets, and are hereby approved.

DONE AND ORDERED in Chambers, West Palm Beach, Florida, this 14th day of August, 2019.


ROBIN L. ROSENBERG
UNITED STATES DISTRICT JUDGE

Copies furnished to Counsel of Record