

**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.,
EAGLE FINANCIAL DIAMOND GROUP INC.
a/k/a DIAMANTE ATELIER, ARGYLE COIN, LLC,
JOSE ANGEL AMAN, HAROLD SEIGEL, &
JONATHON H. SEIGEL,

Defendants,

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

Relief Defendants.

_____/

**SEIGELS' and HS MANAGEMENT'S REPLY TO RECEIVER'S COURT ORDERED
RESPONSE TO DEFENDANT'S NOTICE OF SETTLEMENT STATUS**

COMES NOW, Defendants, HAROLD SEIGEL, and JONATHAN SEIGEL along with Relief Defendant, H.S. MANAGEMENT GROUP, LLC, by and through undersigned counsel, and hereby files this, their Reply to Receiver's Court Ordered Response to Defendant's, HAROLD SEIGEL and JONATHAN SEIGEL, and Relief Defendant, H.S. MANAGEMENT's, Notice of Settlement Status and, in Noticing the Court this matter is no longer pending, states:

1. Defendants, HAROLD SEIGEL and JONATHAN SEIGEL, along with Relief Defendant, HS MANAGEMENT, advised this Court they had reached settlement with the SEC for full relief, including all monies paid to them received by them indirectly from alleged fraudster, Defendant, JOSE AMAN, through his former entities, now the Receivership entities, to wit: Co-Defendants: Argyle, Eagle and Natural and was reluctant to enter settlement while

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faced with threats of the Receiver bringing duplicative suit and seeking frivolous discovery¹. [See DE 216]. Defendant's Notice of Settlement was not a mere complaint over the Receiver doing its job for which it was appointed. To the contrary, it was Notice to this Court of the Receiver having exceeding the bounds of its appointment and threatening duplicitous litigation once informed of the Defendants' settlement with the SEC coupled with the Receivers apparent lack of impartiality or neutrality when it came to Defendants HAROLD SEIGEL and JONATHAN SEIGEL that was of concern.

2. Most particularly, Receiver knew that neither HAROLD SEIGEL or JONATHAN SEIGEL were ever charged by the SEC with Fraud or participation in the alleged Fraudulent scheme, nor were they ever charged with negligence for their involvement with the EAGLE or NATURAL "Investment". Had there been evidence of either, particularly after full discovery by the SEC, the SEC would have certainly amended its Complaint to assert such claims.

3. Further, the Receiver knew that neither Defendant, HAROLD SEIGEL or JONATHAN SEIGEL received any direct payments from either the alleged fraudster, Defendant, JOSE AMAN, or AMAN's (now Receivership) entities, EAGLE, NATURAL or ARGYLE. In fact, the Receiver knew that all funds that ultimately came into the possession of Defendants, HAROLD SEIGEL and JONATHAN SEIGEL, were paid to them over a four year period (2014-2018) by Relief Defendant, HS MANAGEMENT, LLC.; the only entity to directly receive funds from AMAN through his entities. In fact, not only is the Receiver in possession of the same Receiver entities' banking and wire transfer documents relied upon by the SEC, but

¹ In fact, the Receiver has been asking the undersigned to produce information and documentation which the Receiver is claiming is necessary for the Receiver *to satisfy his duty as Receiver* prior to entering global settlement. Despite the close of discovery, the undersigned had sought to comply with the Receiver's requests, about which this Court rightfully deemed Receiver's Motion to Compel as Moot. However, as previously asserted, it appears whatever the undersigned provides, it is never enough, to wit, and despite this Court's prior Order deeming its Motion as Moot, the Receiver, in its Court Order Response to the Notice of Settlement, "renewed" its Motion to Compel- which will be responded to under separate filing. [As for the Receiver's renewed request, the "personal" asset information on these Defendants the Receiver now seeks has nothing to do with the Receivership or the Receivership Order¹. In fact, the Receiver is not "the Receiver" over Defendants, HAROLD SEIGEL, JONATHAN SEIGEL or Relief Defendant, HS MANAGEMENT, neither Defendant, HAROLD SEIGEL or JONATHAN SEIGEL, were signatories or otherwise had access to the bank accounts or books of the Receivership entities and, even if officers of the Receivership entities, which these Defendants deny, their personal asset information for purposes of collection has nothing to do with the Receivership or Receivership entities].

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Receiver knew that neither Defendants, HAROLD SEIGEL or JONATHAN SEIGEL, had access to the books or were otherwise signatories on the Receiver entities' banking accounts.

4. Moreover, Receiver knew that neither HAROLD SEIGEL or JONATHAN SEIGEL were "owners" of Receivership entities Eagle or Natural and it was otherwise improper for this Receiver to have asserted reliance on the Preliminary Injunction Order, to the contrary, as being "Court determined" evidentiary "findings of fact" in its Response² [set forth in DE 219, page 3]. Not only were HAROLD SEIGEL and JONATHAN SEIGEL unrepresented by counsel at the time of the SEC Preliminary Injunction, in lieu of appearance, they had agreed to the Preliminary Injunction without waiving any defenses they had to the allegations; which defenses these Defendants more clearly set forth through deposition testimony and other documentary evidence. (See, Composite Exhibit "A" correspondence of Receiver entities' attorney as to information concealed from these Defendants and reference to their roles as neither stakeholders/officers with capacity to sign documents on behalf of the entities-redacted to conceal identity of Investor .)

5. In fact, the only charges brought against the SEIGELS by the SEC was for their participation in failing "to register" the EAGLE and NATURAL Investment opportunity with the SEC. It is for that charge, "participating in an unregistered security" that the SEC has sought relief and about which these Defendants have consented to judgement for full settlement of the funds received by HS MANAGEMENT, LLC., attributable to the funds received relating to the Investments.

6. The Receiver is not the Receiver over HAROLD SEIGEL, JONATHAN SEIGEL or HS MANAGEMENT, LLC. The Receiver is not the Petitioner in this case and the Receiver does not *represent* the Investors. It is not the Receiver's job to "go after" those already named in the suit by the SEC, collect on the judgement acquired by the SEC against those named in suit brought by the SEC, or otherwise spend the Investors assets collecting on the SEC judgment

² Specifically, see DE 219, entire first paragraph on page 3 wherein Receiver would have this Court believe that the SEC's assertions without counter evidence in the Preliminary Injunction order [DE 40] are "findings of fact" as to Defendant's "ownership" of Receivership entities; were 'active' officers of either Eagle or Natural; actively recruited and solicited investors "into the fraud"; that they 'knowingly' signed countless documents on behalf of Eagle and made assurances to investors on behalf of Eagle. [*See Composite Exhibit A*, emails from Attorney Cespedes- redacted to conceal identity of Investors- as it pertains to the withholding information from the Seigels' by the entities and counsel's indication of their [the Seigels'] lack of capacity as officer/director/stakeholder.]

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when the SEC has a specific collections unit whose job it is to collect on the disgorgement without additional costs or fees to the Investors³.

7. Very clearly, HAROLD SEIGEL and JONATHAN SEIGEL were the only Defendants cooperating by providing hours upon hours of information and leads to the Receiver and the SEC; while Defendant, JOSE AMAN, and the Receivership entities' attorney, Mr. Cespedes, had asserted the 5th Amendment and otherwise failed to cooperate.

8. It is important for this Court to recognize the SEC acquired all the discovery it deemed necessary to enter settlement with the Defendants HAROLD SEIGEL and JONATHAN SEIGEL and HS MANAGEMENT for the disgorgement of the claim(s) asserted by the Petitioner/SEC. The Receiver not being Petitioner or the Receiver over these Defendants, the Receiver has no direct claim against these Defendants within the SEC's case.

9. Despite good faith efforts, though discussions with the Receiver and Receiver's counsel, Defendants believe there is no way to reasonably acquire a waiver or otherwise resolve any issues with the Receiver within the SEC case. Therefore, the undersigned, on behalf and upon the request of Defendants, HAROLD SEIGEL and JONATHAN SEIGEL, and Relief Defendant, HS MANAGEMENT, LLC., with due consideration to the burdens on the Court, as well as the SEC and the Investors in proceeding to trial, hereby provides Notice to the Court that Defendants, HAROLD SEIGEL and JONATHAN SEIGEL and Relief Defendant, HS MANAGEMENT, LLC., are no longer seeking a waiver from the Receiver and, having weighed

³ Despite Receiver's sole request and Defendants' production of the "broad sweep" accounting- without the need for documentation- depicting how the monies received from the Receivership entities were spent in order to "enter global settlement", Receiver continually sought new and additional information. In fact, after the Court rendered Receiver's Motion to Compel Moot, Receiver issued correspondence asking for yet more information and, once ordered to respond to Defendant's Notice of Settlement Status, responded by clearly advising the Court it was doing so to investigate whether Receiver had enough information to bring its own "duplicitous" claims against Defendants; merely seeking as against these Defendants contribution toward the SEC's remaining claims of disgorgement against the Receivership entities (for which they bear their own liability involving the fraud alleged to have been perpetrated by Defendant, JOSE AMAN). This inquiry was satisfied by the Receiver's response indicating that dropping a request for global settlement/waiver would not obviate Receiver's "renewed" Motion to Compel, further advising that production of the current requested documentation would merely be preliminary- thus, an indication that there would be no end in sight, but more poignantly, the documents sought "under the guise of Defendant's failure to comply with the TRO" when Defendants' have asserted their compliance, this Court having already found same to be Moot and same being clearly irrelevant to the SEC's ability to settle its' claim with Defendant (for which they already offered settlement), it appears, more likely than not, as originally asserted, the actions of the Receiver is nothing more than Receiver's unauthorized attempt to usurp the role of the SEC collections unit.

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the consequences, decided to move forward with the SEC's offer of settlement through consent judgment.

10. The request for status conference on this issue, no longer pending before this Court, Defendants agree to await determination by the Commission as to the settlement and submit to the SEC collections unit for disgorgement.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Reply has been eserved via CM/ECF on all counsel of record listed below this 27th day of July 2020.

Respectfully submitted,

_____/EK/_____

ELLEN M KAPLAN, ESQ

FBN 0875228

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JONATHAN SEIGEL and Relief Defendant,
HS MANAGEMENT.

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SRT@klsg.com

Defendant, Jose Aman
Keolaw@kevineorielly.com
c/o Jean Marquez 20805
Grouper Drive
Cutler Bay, FL 33189
(Via mail to Jose Aman)

Subject: Promissory Note needed

From: "raeneal" <raeneal@diamanteatelier.com>

Date: 11/18/2015, 4:49 PM

To: "'CESPEDES LAW FIRM, P.A.'" <e@clfirm.attorney>

Hi Ernesto,

We need a promissory note drawn up for D [REDACTED], a rough parcel investor ASAP. Jose asked that you do not communicate with Harold or Jonathan about this. I would use it as a template as well if any other investor requests one. Here are her requests:

Hi Harold & Jonathan,

I finally got the money sent you should receive it in 7 days. Can you forward me some documentation that outlines the particulars of the agreement(how the guarantee is backed up, who hold the diamonds in the trust account for the guarantee, their contact information, the date the agreement is finalized, how the re payment will be conducted) any additional information you can provide.

I hope you can understand my concerns in this matter. If I would have had other dealings with you I'm sure I wouldn't have the butterflies that I have. This goes back to the old adage "If it sounds too good to be true, it probably is." The main reason I decided to follow through was the conversation I had with Dan, he has total faith and trust in you. The delay in getting the money was due to me being up at work on the Tundra and not having access to the bank, the bank would not transfer the money without me being there to sign the original documents

Please let me know when you receive the funds.

Thanks

D [REDACTED]

Her amount of investment is 100,000.00 and she deposited on 11/16/2015. They will pay her a 100% return in 18mos.

I am attaching her contract as well. Jose needs this by tomorrow.

Did you get my list of November/December clients that are up in NDIC? Just want to make sure.

[REDACTED] called and changed his method of payment again! He would like Fed Ex.

Please confirm receipt of this and let me know if you need anything else from me.

Thanks,

Raeneal

From: fx@xe.com <fx@xe.com>

Sent: November 16, 2015 4:01 PM

— Attachments: —

EFDG Rough Parcel Contract [REDACTED].pdf

88.5 KB

Subject: RE: Contract Eagle Rough
From: "CESPEDES LAW FIRM, P.A." <e@clfirm.attorney>
Date: 10/28/2015, 3:19 PM
To: "Raeneal Goncalves" <Raeneal@diamanteatelier.com>

Rae:

I just texted Jose to ask to speak to him because there is a problem with Harold Seigel signing off on the contracts since he is not an officer or shareholder of Eagle Financial...I'm waiting for him to call me to speak to him about this. Harold cannot sign these contracts. If he signs these , it is against my counsel.

E

No, none of the clients are asking for promissory notes, just D [REDACTED]. K [REDACTED]'s is just an example of the wording of the agreement that has gone to everyone. I don't expect that we will have to do too many more.

-----Original Message-----

From: CESPEDES LAW FIRM, P.A. [<mailto:e@clfirm.attorney>]
Sent: Wednesday, October 28, 2015 3:10 PM
To: Raeneal Goncalves <Raeneal@diamanteatelier.com>
Subject: Re: Contract Eagle Rough

Is K [REDACTED] also to receive a Promissory Note? I ask because this is the first time I am asked to draft a Promissory Note for any of these folks...also can you send it in Word? Thanks E

Here is the one for [REDACTED] K [REDACTED].

Ernesto Cespedes, Esquire

Ernesto Cespedes, Esquire