

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 19-80633-CIV-ROSENBERG/REINHART

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NATURAL DIAMONDS INVESTMENT CO.,

et al.,

Defendants,

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

Relief Defendants.

ORDER MEMORIALIZING RULINGS

This cause came before the Court on the Receiver’s Renewed Motion to Compel, ECF No. [219], and Defendant Harold Seigel and Relief Defendant H.S. Management’s Motion for Protective Order, ECF No. [227], which were referred to me by the Honorable Robin L. Rosenberg, ECF No. [236]. I held a hearing on the motions on September 8, 2020. ECF No. [243]. Prior to the hearing, I reviewed the Motions, Responses, and Replies at ECF Nos. [219, 227, 237, 242], the Temporary Restraining Order (“TRO”) at ECF No. [12], and the Order Granting Motion for Appointment of Receiver (“Receivership Order”) at ECF No. [20]. Having heard from the parties and being otherwise fully advised, it is hereby **ORDERED AND ADJUDGED** that:

1. Defendant Harold Seigel and Relief Defendant H.S. Management are “persons or entities” covered by paragraph 9 of the Receivership Order and therefore must “answer under oath to the Receiver all questions which the Receiver may put to them and produce all documents as required by the Receiver regarding the business of the Receivership Entity,

or any other matter relevant to the operation or administration of the receivership or the collection of funds due to the Receivership entity.” *See* ECF No. [20] at ¶ 9.

2. The information the Receiver seeks from Harold Seigel and H.S. Management, as set forth on page 13 of its Reply, ECF No. [237], relates to “the Receivership Entity” and is authorized by the Receivership Order.
3. Accordingly, the Receiver’s Renewed Motion to Compel, ECF No. [219], is **granted in part and denied in part**. The Motion to Compel is denied to the extent that the Receiver seeks to use the TRO to compel information from Harold Seigel and H.S. Management because: (1) for the reasons stated on the record, the Receiver lacks standing to enforce the TRO; and (2) the plain language of the TRO does not unambiguously require Harold Seigel to give the Receiver the requested information. As to the Receivership Order, however, the Motion to Compel is granted, and by **no later than 5:00 PM on October 8, 2020**, both Harold Seigel, in his individual capacity, and H.S. Management shall respond to the interrogatories and or/requests for production that are propounded by the Receiver. The requests are limited to the four areas of inquiry listed on page 13 of the Receiver’s Reply.
4. Harold Seigel and H.S. Management’s Motion for Protective Order, ECF No. [227], is **granted in part and denied in part**. The Motion for Protective Order is granted only insofar as the Receiver does not have standing to enforce the TRO against Harold Seigel and H.S. Management.

DONE and ORDERED in Chambers at West Palm Beach in the Southern District of Florida, this 16th day of September 2020.

A handwritten signature in black ink, appearing to read "Bruce Reinhart". The signature is written in a cursive style with a large initial "B".

BRUCE REINHART
U.S. MAGISTRATE JUDGE