

**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,

/

**RESPONSE IN OPPOSITION TO RECEIVER’S MOTION FOR JUDICIAL
DETERMINATION REGARDING OWNERSHIP OF DIAMONDS
IN RECEIVER’S POSSESSION [DE 263]**

COMES NOW, Defendants, Harold Seigel and Johnathan Seigel, by and through undersigned counsel and files their Response in Opposition to the above captioned Motion [DE 264] and states:

1. Defendants, Harold Seigel and Johnathan Seigel, maintain ownership interest in diamonds and other property recovered by or otherwise in the possession of the Receiver which is the subject property at issue in Receiver’s Motion.
2. Defendants, Harold Seigel and Johnathan Seigel, maintain a beneficial interest in diamonds and other property recovered by or otherwise in the possession of the Receiver in that Owners of the subject property have individual claims against Defendants for recovery of said property.
3. Defendants maintain Receiver is and has known or otherwise been aware these Defendants claim an actual and beneficial interest in the diamonds and other property held by Receiver¹ [the failure of Receiver to first confer with Defendants on its Motion DE 264 likely an inadvertent oversight possibly thinking Defendants’ property and beneficial interest claims to the property in Receiver’s possession extinguished with the

¹ The handling and determination of these assets were the subject of Defendant’s interest in negotiating a global settlement to include the Receiver when settling with the SEC.

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SEC settlement], the value and sale of which assets is the subject of penalties, interest and disgorgement assessed against Defendants by the SEC.

4. Defendants request Receiver provide Defendants a more legible copy of the items and accompanying GIA certification numbers pertaining to all the diamonds and property which are the subject of their Motion, not just as to the 14 diamonds as Defendants assert Receiver mistaken or without sufficient knowledge to assess true and rightful owners. Upon receipt, Defendants will be in a position to provide Receiver and, more importantly this Court, with pertinent information, including documentary evidence/proof of ownership of the items at issue.
5. Defendants communicated with Receiver via email yesterday to inform Receiver of its position, request for more legible documents and for Receiver to locate recovered property now believed to be missing. Having not observed the filing of an Amendment to its Motion, Defendants herein file this Response in Opposition to the Receiver's Motion. Said Response is not being filed for the purposes of delay but, rather, for the purpose of judicial economy in seeking a prompt, full, complete, proper, fair, just and equitable determination by this Court regarding the ownership of the subject property. r.

WHEREFORE, Defendants, Harold Seigel and Johnathan Seigel request this Court acknowledge Defendants Response in Opposition to Receiver's Motion [DE 264] and refrain from the entry of Receiver's proposed Order until such time as the Receiver provides Defendants with the requested legible exhibits and other requested information necessary for Receiver to rightfully and completely apprise this Court on proper ownership of the diamonds and property at issue sufficient to this Court to make a just and proper ruling on ownership allocation, disbursement and disgorgement of the assets held in possession by Receiver.

[intentionally left blank]

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Response in Opposition to Receiver's Motion [DE 264] and Exhibits e-served upon all counsel of record this 5th day of November 2020.

Respectfully submitted,

/ELLEN M KAPLAN, ESQ
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