

BakerHostetler

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March 20, 2017

Honorable Stuart M. Bernstein
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Room 723
New York, NY 10004-1408

Re: *Picard v. Ceretti*, Adv. Pro. No. 09-1161 (SMB)

Dear Judge Bernstein:

In the interests of transparency, the Trustee wishes to bring a matter to Your Honor's attention, though we believe it to be resolved. In late December of 2016, the Trustee became aware that the Joint Liquidators for Kingate Global Fund, Ltd. and Kingate Euro Fund, Ltd. ("Kingate Funds"), who were formerly affiliated with Zolfo Cooper Caribbean, rebranded and took a license from one of the Trustee's retained consultants, AlixPartners, LLP. Specifically, this group rebranded under the "Alix" name in the Caribbean effective on or about December 1, 2016.

The Trustee was assured that despite the "Alix" name license, the Joint Liquidators were not employees, shareholders, or directors of AlixPartners. The Trustee was further assured that no confidential information was transmitted in either direction; none of the Trustee's confidential information concerning the BLMIS liquidation proceedings, including this adversary proceeding, was made available or communicated by any means to the Joint Liquidators. Likewise the Trustee was informed that none of the Joint Liquidators' confidential information, pertaining to the Kingate liquidation, including information related to this adversary proceeding, was communicated to anyone working at AlixPartners.

We were assured that no conflict existed and our investigation confirmed that no such conflict existed. Nonetheless, to address the concern that someone could believe that a conflict existed now or at some later point, Alix has confirmed that it terminated the license with the former Zolfo Cooper group, which includes the Joint Liquidators of the Kingate Funds. The Trustee's counsel has also conferred with counsel for the Joint Liquidators of the Kingate Funds, Quinn Emanuel, and they have also confirmed that they have received no confidential Trustee information from their clients and Baker Hostetler has similarly confirmed that it has received no confidential Kingate information from AlixPartners.

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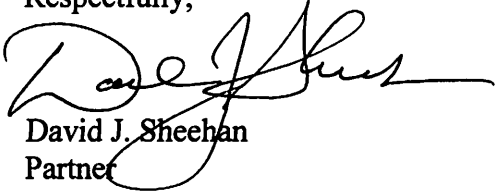
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Both this firm and Quinn Emanuel believe that no conflict existed at any time, but we wanted to make sure that the Court was aware of the issue.

Respectfully,

A handwritten signature in black ink, appearing to read "David J. Sheehan", written over a printed name and title.

David J. Sheehan
Partner

cc: Robert Loigman, Quinn Emanuel