

# EXHIBIT C

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**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION – LOS ANGELES**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

DIRECT LENDING INVESTMENTS  
LLC,

Defendant.

Case No.: 2:19-cv-02188-DSF-MRW

**NOTICE OF SETTLEMENT**

1 **NOTICE OF SETTLEMENT**

2 PLEASE TAKE NOTICE THAT that a proposed settlement has been  
3 reached in an agreement (the “Settlement Agreement”) among and between, on  
4 the one hand, (a) Bradley D. Sharp, in his capacity as the Court-appointed  
5 Receiver (the “Receiver”) for the estate of Direct Lending Investments, LLC,  
6 Direct Lending Income Fund, L.P., Direct Lending Income Feeder Fund, Ltd.,  
7 DLI Capital, Inc., DLI Lending Agent, LLC, DLI Assets Bravo LLC (in  
8 Receivership) (collectively, the “Receivership Entities”); (b) Bradley D. Sharp  
9 and Christopher D. Johnson, in their capacities as Joint Official Liquidators  
10 (“JOLs”) of Direct Lending Income Feeder Fund, Ltd. (in official liquidation)  
11 (“DLIFF”) (DLIFF, together with the Receivership Entities, the “DLI Entities”);  
12 (c) investors in the DLI Entities (“Investors”) that participated in the mediation  
13 and identified in Exhibit A to the Settlement Agreement (“Party Investors”)  
14 (specifically, those Investors represented by Levine Kellogg Lehman Schneider  
15 + Grossman LLP, The Meade Firm P.C., and Reiser Law P.C., including those  
16 who are plaintiffs in the action *Atkins Investment Partnership, et al. v.*  
17 *EisnerAmper, LLP*, Case No. 4:21-cv-00990 (N.D. Cal.) (the “Atkins Action”);  
18 those Investors represented by Nystrom Beckman & Paris LLP (the “Jackson  
19 Action”) those Investors represented by Bragar, Eigel & Squire, P.C., including  
20 those who are plaintiffs in the action *Baer v. EisnerAmper, LLP*, Case No.  
21 21GDCV00407 (Cal. Super. Ct. L.A. County) (the “Baer Action”); and those  
22 Investors identified in the proposed class action complaint (the “Class Action”)  
23 attached as Exhibit A to the Tolling Agreement as of April 30, 2021 between  
24 EisnerAmper, LLP and plaintiffs Marcia Kosstrin Trust, Professional Home  
25 Improvements, Inc. Retirement Plan, Michael Mendle, and Whitney Whitacre,  
26 represented by putative class counsel Ahdoot & Wolfson PC and Milberg  
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1 Coleman Bryson Phillips Grossman LLC); and, on the other hand, (d)  
2 EisnerAmper, LLP (“Eisner”).<sup>1</sup>

3 Under the terms of the Settlement Agreement, Eisner will pay the amount  
4 of ten million U.S. dollars (\$10,000,000) (the “Settlement Amount”) to be  
5 deposited into escrow account(s) for DLIF Investors, for DLIFF, for Party  
6 Investors, and for payment of Court approved attorneys’ fees. The Settlement  
7 Amount less attorneys’ fees and expenses as awarded by the Court (“Net  
8 Settlement Amount”), will be disbursed to DLIF Investors, will be disbursed to  
9 DLIFF and distributed to DLIFF Investors and creditors by the JOLs pursuant to  
10 Cayman Islands law, and will be disbursed to the Party Investors.

11 Concurrent with this Notice, Investors are being served with Notices of the  
12 Settlement and the Right of Exclusion from the Settlement (or “Opt-out Notices”)  
13 describing the steps that Investors must take to exclude themselves from the  
14 Settlement. Please read the entire Opt-out Notice carefully. As described in more  
15 detail in the Opt-out Notice to DLIF Investors, a portion of the Net Settlement  
16 Amount will be distributed on a pro rata basis to persons or entities that invested,  
17 through the purchase of limited partnership interests or otherwise, in DLIF  
18 (“DLIF Investors”) that do not exclude themselves from the Settlement  
19 (“Participating DLIF Investors”) pursuant to the procedures described therein. As  
20 described in more detail in the Opt-out Notice to DLIFF Investors, a separate  
21 portion of the Net Settlement Amount will be distributed DLIFF to be distributed  
22 by the JOLs in accordance with Cayman Islands law to creditors and persons or

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23 <sup>1</sup> “Eisner” or “Eisner Entities” refer to EisnerAmper, LLP and Eisner Advisory  
24 Group LLC, and each of their respective Subsidiaries, parents, Affiliates,  
25 divisions, joint venturers, contractors, subcontractors, subrogees, offices,  
26 controlled and control Persons, predecessors, successors, assignors, assigns,  
27 transferees, heirs, executors, shareholders, owners, investors, accountants,  
28 auditors, advisors, employees, trustees, fiduciaries, consultants, agents,  
representatives, nominees, attorneys, partners, associates, counsel, managers, and  
members, directors and officers, in each case individually and collectively,  
together with each and any of their respective predecessors and successors in  
interest.

1 entities that invested, through the purchase of shares, in DLIFF (the “DLIFF  
2 Investors”)<sup>2</sup> pursuant to the procedures described therein. The Settlement will  
3 resolve all claims and potential claims by the Receiver, the JOLs, and all DLIF  
4 Investors who do not opt out.

5 In return for the Settlement Amount, the Receiver, the JOLs, the DLI  
6 Entities, the Party Investors,<sup>3</sup> and Participating DLIF Investors will release all  
7 claims against Eisner arising out of, relating to, or in connection with the  
8 professional services provided by Eisner to the DLI Entities, among other  
9 Released Claims.<sup>4</sup> The Claimants and Participating Investors will be barred by  
10 the Final Approval Order (defined below) from prosecuting or seeking monetary  
11 or any relief in the United States against any of the Released Eisner Entities<sup>5</sup> with

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12 <sup>2</sup> Participating DLIF Investors and DLIFF Investors who do not opt out  
13 (“Participating DLIFF Investors”) together are referred to as “Participating  
Investors”.

14 <sup>3</sup> The Receiver, the JOLs, the DLI Entities, and the Party Investors are  
15 collectively referred to as the “Claimants”.

16 <sup>4</sup> “Released Claims” means, to the fullest extent that the law permits their release,  
17 all past, present, and future claims of any nature whatsoever, including, without  
18 limitation, all claims, suits, actions, allegations, damages (including, without  
19 limitation, contributory, compensatory, punitive, exemplary, rescissory, direct,  
20 consequential or special damages, restitution, and disgorgement), liabilities,  
21 causes of action, complaints, lawsuits, responsibilities, demands, rights, debts,  
22 penalties, costs, expenses, fees, injunctive relief, attorneys’ fees, expert or  
23 consulting fees, prejudgment interest, indemnities, duties, losses, and obligations  
24 of any kind, known or unknown, foreseen or unforeseen, whether or not  
25 concealed or hidden, asserted or unasserted, existing or contingent, direct or  
26 indirect, anticipated or unanticipated, asserted or that could have been asserted  
by, or on behalf of, for the benefit of, or in the name of the Claimants or  
Participating Investors, whether legal, contractual, rescissory, statutory, or  
equitable in nature, whether arising under federal, state, common or foreign law,  
that now exist, have ever existed, or might ever exist, from the beginning of time  
in perpetuity, that are based upon, arise out of, or are related in any way to: (a)  
the professional services provided by the Eisner Entities to the DLI Entities; (b)  
the conduct, transactions, or occurrences set forth in any of the pleadings in the  
Related Actions; (c) the Related Actions; and (d) the conduct and subject matter  
of the Mediation, Settlement negotiations, and the negotiation of this Agreement  
(except for representations or obligations expressly included in this Agreement),  
including without limitation fraud in the inducement thereof.

27 <sup>5</sup> “Released Eisner Entities” means (a) the Eisner Entities; (b) the Eisner Entities’  
28 predecessors, successors, Affiliates, Subsidiaries, divisions, assignors, and  
assignees; (c) each of the foregoing’s past, present, and future officers, directors,  
board and board members, principals, partners, officials, employees,

1 respect to any and all such claims. Any final verdict or judgment obtained by or  
2 on behalf of any Claimant or Participating DLIF Investor against any Third Party<sup>6</sup>  
3 shall be reduced by the proportionate fault of the Released Eisner Entities, unless  
4 governing law requires otherwise.

5 PLEASE TAKE FURTHER NOTICE that the Receiver has filed in  
6 *Securities and Exchange Commission v. Direct Lending Investments, LLC*, Case  
7 No. 19-cv-2188 (C.D. Cal.) (the “SEC Action”) the Motion for Order: (i)  
8 Preliminarily Approving Settlement with EisnerAmper, LLP; (ii) Setting the  
9 Schedule for Objections and Final Approval Hearing; (iii) Approving the Form  
10 of Order Finally Approving the Settlement with EisnerAmper, LLP; and (iv)  
11 Approving the Form and/or Limitation of Notice of Motion Under Local Rule  
12 66-7 (the “Motion”). The Parties to the Settlement Agreement seek approval of  
13 the Court in the SEC Action of the terms of the Settlement Agreement and entry  
14 of a final order approving the Settlement (the “Final Approval Order”).

15 **This matter may affect your rights and you may wish to consult an**  
16 **attorney.**

17 The material terms of the Settlement Agreement are as follows:

- 18 1. Eisner will pay \$10,000,000 into an escrow account(s) to be  
19 identified by the Receiver pursuant to the Settlement Agreement;

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23 Subsidiaries, parents, Affiliates, divisions, joint venturers, contractors,  
24 subcontractors, subrogees, offices, control and controlled Persons, predecessors,  
25 successors, assignors, assigns, transferees, heirs, executors, shareholders,  
26 owners, investors, accountants, auditors, advisors, trustees, fiduciaries,  
consultants, agents, representatives, nominees, attorneys, partners, officers,  
directors, employees, associates, counsel, managers, and members, in each case  
individually and collectively, together with any of their respective predecessors  
and successors in interest; and (d) each of the Eisner Entities’ insurers, reinsurers,  
excess insurers, underwriters, and claims administrators.

27 <sup>6</sup> “Third Party” means a nonparty to the Settlement Agreement that has been or  
28 may be sued by any of the Claimants or Participating Investors for claims arising  
out of, relating to, or in connection with the DLI Entities.

- 1           2.     Investors shall have the right to exclude themselves from  
2 participation in the Settlement pursuant to the procedures described  
3 in the applicable Opt-out Notice. In the event that Investors that opt-  
4 out of the Settlement exceed a certain threshold agreed upon by the  
5 signatories to the Settlement Agreement (“Opt-out Threshold”),  
6 Eisner shall have the sole and exclusive right to withdraw from and  
7 terminate the Settlement;
- 8           3.     Counsel for Claimants and Eisner are executing a confidential  
9 Supplemental Agreement Regarding Requests for Exclusion. This  
10 supplemental agreement sets forth certain conditions under which  
11 Eisner shall have the option to withdraw from the Settlement and  
12 render the Settlement Agreement null and void in the event that the  
13 Opt-out Threshold is reached;
- 14          4.     Entry of Final Approval Order: specifying (i) that each of the  
15 Claimants and Participating DLIF Investors release each of the  
16 Released Eisner Entities from all Released Claims; (ii) that each of  
17 the Claimants and Participating Investors are barred from seeking  
18 monetary or other relief in any state or federal court, arbitration  
19 proceeding, or other forum in the United States against any of the  
20 Released Eisner Entities with respect to any and all claims based on  
21 the professional services provided by Eisner to the DLI Entities; (iii)  
22 any final verdict or judgment obtained by or on behalf of any  
23 Claimant or Participating DLIF Investor against any Third Party  
24 shall be reduced by an amount that corresponds to the percentage of  
25 responsibility of the Released Eisner Entities for damages.  
26 However, where the law governing such final verdict or judgment  
27 (“Other Governing Law”) requires a reduction in a different amount,  
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1 the final verdict or judgment shall be reduced by an amount as  
2 provided by Other Governing Law.

3 5. An Agreement Regarding Disbursement of Attorneys' Fees,  
4 attached as Exhibit F to the Settlement Agreement, establishes an  
5 Attorneys' Fund in the amount of \$3,000,000 to compensate the  
6 attorneys who represented the Party Investors and the Receiver,  
7 subject to Court approval of the Attorneys' Fee Motion [Dkt. No.  
8 944]. The Receiver, JOLs, and Eisner do not object to the Attorneys'  
9 Fee Motion; and,

10 6. The Receiver will disseminate notice of the Settlement Agreement  
11 as set forth in the Preliminary Approval Order entered in the SEC  
12 Action (Dkt. No. [961]), including via this Notice to all Interested  
13 Parties<sup>7</sup> and the applicable Opt-out Notice to all Investors (through  
14 one or more of the following: first class mail, email, or international  
15 delivery) and provide Publication Notice.

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17 PLEASE TAKE FURTHER NOTICE that the Court in the SEC Action  
18 will hold a hearing to decide whether to approve the Settlement Agreement and  
19 enter the Final Approval Order (the "Final Approval Hearing"). The Final  
20 Approval Hearing is set for November 4, 2024 at 1:30p.m.

21 Any Person who wishes to object to the terms of the Settlement Agreement  
22 or the Final Approval Order, or who wishes to appear at the Final Approval  
23 Hearing, must e-mail a written objection to [TeamDLI@stretto.com](mailto:TeamDLI@stretto.com) no later than  
24 October 14, 2024.

25 All objections must:

26 \_\_\_\_\_  
27 <sup>7</sup> Interested Parties means, collectively, all parties to the SEC Action, all known  
28 creditors, all known Investors of DLI Entities, all Claimants, and, to the extent  
not already included in the foregoing, Opus Fund Services (USA) LLC, Opus  
Fund Services (Bermuda) Ltd., Duff & Phelps, LLC, and Deloitte & Touche LLP.



- 1           1.     contain the name, address, telephone number, and (if applicable) an  
2           e-mail address of the Person filing the objection;
- 3           2.     contain the name, address, telephone number, and e-mail address of  
4           any attorney representing the Person filing the objection;
- 5           3.     be signed by the Person filing the objection, or his or her attorney;
- 6           4.     state, in detail, the basis for any objection;
- 7           5.     attach any document the Court should consider in ruling on the  
8           Settlement Agreement and the Final Approval Order; and
- 9           6.     if the Person filing the objection wishes to appear at the Final  
10          Approval Hearing, make a request to do so.

11           Any Person submitting an objection shall be deemed to have submitted to  
12 the jurisdiction of this Court for all purposes of that objection, the Settlement  
13 Agreement, and the Final Approval Order. Potential objectors who do not present  
14 opposition by the time and in the manner set forth above shall be deemed to have  
15 waived the right to object (including any right to appeal) and shall be forever  
16 barred from raising such objections in this action or any other action or  
17 proceeding. Persons do not need to appear at the Final Approval Hearing or take  
18 any other action to indicate their approval. The Court may decline to permit  
19 anyone who fails to submit a written objection and request to appear at the Final  
20 Approval Hearing as set forth in subparts (1) through (6) immediately above from  
21 appearing at the Final Approval Hearing. The Court will exercise discretion as to  
22 whether it wishes to hear from any person or entity who fails to make a timely  
23 written objection and request to appear.

24           Any Investor who wishes to be excluded from the Settlement (or opt out)  
25 must send a written letter request for exclusion from the Settlement by e-mail to  
26 [TeamDLI@stretto.com](mailto:TeamDLI@stretto.com), no later than October 14[, 2024, and the written letter  
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1. contain the name, address, telephone number, and (if applicable) an email address of the Person filing the objection;
2. be signed by the Investor who wishes to be excluded from the Settlement.

**For more information**, copies of the Settlement Agreement, the Motion, and other supporting papers may be obtained from the Court’s docket in the SEC Action [Dkt. No. 940] and are also available on the website of the Receiver (<http://case.stretto.com/dli>). Copies of these documents may also be requested by email, by sending the request to [TeamDLI@stretto.com](mailto:TeamDLI@stretto.com) or by telephone, by calling the Stretto Administrator at 855-885-1564. Unless otherwise specified, all capitalized terms not defined herein are defined in the Settlement Agreement.

DATED: August 19, 2024

RAINES FELDMAN LITRELL LLP

By: /s/ Kathy Bazoian Phelps  
Kathy Bazoian Phelps  
*Counsel for Bradley D. Sharp*  
*Permanent Receiver*