

EXHIBIT I

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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 TO DIRECT LENDING
INCOME FEEDER FUND
INVESTORS OF SETTLEMENT
AND RIGHT OF EXCLUSION
FROM SETTLEMENT**

1 **PLEASE TAKE NOTICE THAT you are receiving this Notice as an**
2 **investor in Direct Lending Income Feeder Fund, Ltd. (in Official**
3 **Liquidation) (“DLIFF”). A federal court in the United States authorized this**
4 **Notice. This is not a solicitation from a lawyer.**

5 **The purpose of this Notice is to inform you that a proposed settlement**
6 **has been reached with EisnerAmper, LLP (“Eisner”). Among the recoveries**
7 **pursued on behalf of DLIFF, as well as Direct Lending Income Fund, L.P.**
8 **(“DLIF”), are claims against Eisner in respect of the provision of audit**
9 **services by the Eisner. Such claims are related to proceedings in the United**
10 **States, including those pending in the U.S. District Court for the Central**
11 **District of California (the “U.S. Receivership Court”) in *Securities and***
12 ***Exchange Commission v. Direct Lending Investments, LLC*, Case No. 19-cv-**
13 **2188 (the “U.S. Receivership Proceedings”). If approved by the U.S.**
14 **Receivership Court, the proposed settlement will result in monies being paid**
15 **by Eisner to escrow accounts established by the Receiver (the “Eisner**
16 **Settlement Monies”), who will then distribute a portion of the monies to the**
17 **Joint Official Liquidators (the “JOLs”) of DLIFF. The portion of the Eisner**
18 **Settlement Monies distributed to DLIFF will be distributed by the JOLs to**
19 **investors and creditors of DLIFF in accordance with applicable Cayman**
20 **Islands law.**

21 **Please read this entire Notice carefully. The purpose of this Notice is**
22 **to inform you of your right to exclude yourself from participation in the**
23 **Settlement (the “Settlement” described below) pursuant to procedures**
24 **explained in this Notice. If you do nothing, you will be barred from pursuing**
25 **claims against Eisner in the United States by order of the U.S. Receivership**
26 **Court. If you decide to exclude yourself from the Settlement, you will keep**
27 **your right to pursue a claim against Eisner in the United States. However, if**
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1 too many DLIFF and/or DLIF investors decide to take action and exclude
2 themselves (or “opt-out”), Eisner may withdraw from the Settlement. If
3 Eisner withdraws from the Settlement, investors and creditors will lose the
4 benefit of receiving the Eisner Settlement Monies.

5 **PLEASE TAKE FURTHER NOTICE THAT while you are entitled to**
6 **opt out from the terms of the Settlement, opting out may risk Eisner**
7 **withdrawing from, and in effect, terminating the Settlement. This Notice**
8 **explains the Settlement and the consequences of opting out. You should**
9 **consider consulting with your attorney regarding the Settlement, your**
10 **choices, and this Notice.**

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

10 Under the terms of the Settlement Agreement, Eisner will pay the amount
11 of ten million U.S. dollars (\$10,000,000) (the “Settlement Amount”) to be
12 deposited into escrow account(s) for DLIF Investors, for DLIFF, for the Party
13 Investors, and for payment of Court approved attorneys’ fees. The Settlement
14 Amount less attorneys’ fees and expenses as awarded by the Court (“Net
15 Settlement Amount”), will be disbursed to DLIF Investors, will be disbursed to
16 DLIFF, and will be disbursed to the Party Investors.

17 As described in more detail below, the separate portion of the Net
18 Settlement Amount disbursed to DLIFF will subsequently be distributed by the
19 JOLs in accordance with Cayman Islands law to creditors and persons or entities
20 that invested, through the purchase of shares, in DLIFF (the “DLIFF Investors”)
21 pursuant to the procedures described herein. In addition, a separate portion of the
22 Net Settlement Amount will be distributed on a pro rata basis to persons or

23 ¹ “Eisner” or the “Eisner Entities” refer to EisnerAmper, LLP and Eisner
24 Advisory Group LLC, and each of their respective Subsidiaries, parents,
25 Affiliates, divisions, joint venturers, contractors, subcontractors, subrogees,
26 offices, controlled and control Persons, predecessors, successors, assignors,
27 assigns, transferees, heirs, executors, shareholders, owners, investors,
28 accountants, 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 limited partnership interests or
2 otherwise, in DLIF (“DLIF Investors”) that do not exclude themselves from the
3 Settlement (“Participating DLIF Investors”).² The Settlement will resolve all
4 claims and potential claims by the Receiver, the JOLs, and all DLIF Investors
5 who do not opt out.

6 As set forth above, the Settlement Amount of \$10,000,000 is first to be
7 reduced by the allowed amount of Court approved attorneys’ fees, which total
8 amount shall not exceed \$3,000,000. The remaining sum of \$7,000,000, the Net
9 Settlement Amount, is to be split between the Receivership Estate, on the one
10 hand, and the Party Investors, on the other hand. The Receiver’s share of
11 \$3,500,000 is then to be split between DLIF and DLIFF in accordance with the
12 prior Court-approved Claims Allowance Stipulation to divide certain proceeds
13 received by the DLI Entities between DLIFF and DLIF (“Claims Allowance
14 Stipulation”) as revised by the Motion. [Dkt. No. 318-2, Ex. 1], *available at*
15 <http://case.stretto.com/dli>. DLIFF’s separate portion of the Settlement Amount
16 will subsequently be distributed to the DLIFF Investors by the JOLs in
17 accordance with Cayman Islands law.

18 In return for the Settlement Amount, the Receiver, the JOLs, the DLI
19 Entities, and the Party Investors,³ and Participating DLIF Investors will release
20 all claims against the Released Eisner Entities⁴ arising out of, relating to, or in

21 _____
22 ² Participating DLIF Investors and DLIFF Investors who do not opt out
23 (“Participating DLIFF Investors”) together are referred to as “Participating
24 Investors”.

25 ³ The Receiver, the JOLs, the DLI Entities, and the Party Investors are
26 collectively referred to as the “Claimants”.

27 ⁴ “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,
Subsidiaries, parents, Affiliates, divisions, joint venturers, contractors,
subcontractors, subrogees, offices, controlled and control Persons, predecessors,
successors, assignors, assigns, transferees, heirs, executors, shareholders,
owners, investors, accountants, auditors, advisors, trustees, fiduciaries,

1 connection with the professional services provided by Eisner to the DLI Entities,
2 among other Released Claims.⁵ The Claimants and Participating Investors shall
3 forever be barred and enjoined by judgment of the U.S. Receivership Court from
4 commencing, prosecuting, or seeking monetary or any other relief in any court,
5 arbitration proceeding, or other forum in the United States against any of the
6 Released Eisner Entities with respect to the Released Claims. In addition, the
7 Receiver, the JOLs, and the Participating DLIF Investors agree that any final
8 verdict or judgment obtained by or on behalf of any Claimant or Participating
9 DLIF Investor against a Third Party⁶ shall be reduced by the proportionate fault
10 of the Released Eisner Entities, unless governing law requires otherwise.

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13 consultants, agents, representatives, nominees, attorneys, partners, officers,
14 directors, employees, associates, counsel, managers, and members, in each case
15 individually and collectively, together with any of their respective predecessors
16 and successors in interest; and (d) each of the Eisner Entities' insurers, reinsurers,
17 excess insurers, underwriters, and claims administrators.

18 ⁵ "Released Claims" means, to the fullest extent that the law permits their release,
19 all past, present, and future claims of any nature whatsoever, including, without
20 limitation, all claims, suits, actions, allegations, damages (including, without
21 limitation, contributory, compensatory, punitive, exemplary, rescissory, direct,
22 consequential or special damages, restitution, and disgorgement), liabilities,
23 causes of action, complaints, lawsuits, responsibilities, demands, rights, debts,
24 penalties, costs, expenses, fees, injunctive relief, attorneys' fees, expert or
25 consulting fees, prejudgment interest, indemnities, duties, losses, and obligations
26 of any kind, known or unknown, foreseen or unforeseen, whether or not
27 concealed or hidden, asserted or unasserted, existing or contingent, direct or
28 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 (defined below), 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 Eisner to the DLI Entities;
(b) the conduct, transactions, or occurrences set forth in any of the pleadings in
the Related Actions (defined below); (c) the Related Actions; and (d) the conduct
and subject matter of the Mediation, Settlement negotiations, and the negotiation
of the Settlement Agreement (except for representations or obligations expressly
included in this Agreement), including without limitation fraud in the inducement
thereof.

⁶ "Third Party" means a nonparty to the Settlement Agreement that has been or
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 The Receiver filed in the U.S. Receivership Proceedings the Motion for
2 Order: (i) Preliminarily Approving Settlement with EisnerAmper, LLP; (ii)
3 Setting the Schedule for Objections and Final Approval Hearing; (iii) Approving
4 the Form of Order Finally Approving the Settlement with EisnerAmper, LLP;
5 and (iv) Approving the Form and/or Limitation of Notice Under Local Rule 66-
6 7 (the “Motion”). The Parties to the Settlement Agreement seek approval of the
7 U.S. Receivership Court of the terms of the Settlement Agreement and entry of a
8 final order approving the Settlement (the “Final Approval Order”).

9 **Attorneys’ Fees:** Counsel for the Receiver and the Party Investors have
10 asked the U.S. Receivership Court for a fee award of \$3 million (“Attorneys’
11 Fees”).

IMPORTANT DATES	
Deadline to Request Exclusion from the Settlement:	October 14, 2024
Deadline to Submit an Objection:	October 14, 2024
Final Approval Hearing:	November 4, 2024 at 1:30 p.m. Pacific

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20 **Your legal rights are affected whether you act or do not act. Read this**
21 **Notice carefully.**
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YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT	
DO NOTHING	If you are in favor of the Settlement, which will provide millions of dollars to the investors and creditors of the DLI entities, you do not need to do anything. If you do nothing and the U.S. Receivership Court approves the Settlement, you will be barred from pursuing your own lawsuit against Eisner in the United States related in any way to the professional services provided by Eisner to the DLI Entities.
“OPT OUT” TO EXCLUDE YOURSELF FROM THE SETTLEMENT TERMS AND BEING BARRED	If you believe that you have independent claims against Eisner related to the DLI Entities that you intend to pursue in the United States, you must opt-out in order to preserve your right to pursue such claims. Opting-out is the only way that you can preserve such claims if the U.S. Receivership Court approves the Settlement. If you opt-out, you can still object to the Settlement.
SUBMIT AN OBJECTION	You may object to the Settlement, the terms of the Settlement Agreement, or the Final Approval Order, and request that the U.S. Receivership Court not approve the Settlement. If you object to the Settlement, you must also elect whether to opt out. If you do not opt out, and the U.S. Receivership Court overrules your objection, you will be barred

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	from pursuing your own lawsuit against Eisner in the United States related in any way to the professional services provided by Eisner to the DLI Entities.
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The U.S. Receivership Court must decide whether to approve the Settlement. The U.S. Receivership Court will consider whether the Settlement Agreement is adequate, fair, and reasonable. Distributions will only be made if the U.S. Receivership Court approves the Settlement and after objections or appeals, if any, are resolved.

THE SETTLEMENT BENEFITS – WHAT CAN YOU GET

1. What does the Settlement provide?

Eisner has agreed to pay \$10,000,000 in cash pursuant to the Settlement Agreement to be deposited into escrow account(s) to be identified by the Receiver. The Settlement Amount less any Attorneys’ Fees and expenses awarded by the U.S. Receivership Court shall constitute the Net Settlement Amount.

2. How will the Settlement be allocated?

The Settlement Amount of \$10,000,000 is first to be reduced by the allowed amount of Court approved attorneys’ fees, which total amount shall not exceed \$3,000,000. The remaining sum of \$7,000,000, the Net Settlement Amount, is to be split between the Receivership Estate, on the one hand, and the Party Investors, on the other hand. The Receivership Estate’s fifty percent (50%) share of the Net Settlement Amount of \$3,500,000 is then to be split between DLIF and DLIFF in accordance with the prior Court-approved Claims Allowance Stipulation as revised by the Motion. The proceeds of the Net Settlement Amount

1 received by DLIFF will be distributed by the JOLs in accordance with Cayman
2 Islands law.

3 **3. What am I giving up if I do not opt out?**

4 If you do not opt out pursuant to the procedures described in this Notice,
5 you will be barred and enjoined from prosecuting any Released Claims against
6 Eisner in the United States.

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8 Released Claims means, to the fullest extent that the law permits their
9 release, all past, present, and future claims of any nature whatsoever,
10 including, without limitation, all claims, suits, actions, allegations,
11 damages (including, without limitation, contributory, compensatory,
12 punitive, exemplary, rescissory, direct, consequential or special damages,
13 restitution, and disgorgement), liabilities, causes of action, complaints,
14 lawsuits, responsibilities, demands, rights, debts, penalties, costs,
15 expenses, fees, injunctive relief, attorneys’ fees, expert or consulting fees,
16 prejudgment interest, indemnities, duties, losses, and obligations of any
17 kind, known or unknown, foreseen or unforeseen, whether or not
18 concealed or hidden, asserted or unasserted, existing or contingent, direct
19 or indirect, anticipated or unanticipated, asserted or that could have been
20 asserted by, or on behalf of, for the benefit of, or in the name of the
21 Claimants or Participating Investors, whether legal, contractual,
22 rescissory, statutory, or equitable in nature, whether arising under federal,
23 state, common or foreign law, that now exist, have ever existed, or might
24 ever exist, from the beginning of time in perpetuity, that are based upon,
25 arise out of, or are related in any way to: (a) the professional services
26 provided by the Eisner Entities to the DLI Entities; (b) the conduct,
27 transactions, or occurrences set forth in any of the pleadings in the Related
28 Actions; (c) the Related Actions⁷; 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

⁷ “Related Actions” means, collectively, the U.S. Receivership Proceedings, the Class Action, the Atkins Action, the Baer Action, the Jackson Action, and the Receiver Action, and all claims which have been asserted, could have been asserted, and/or were threatened against the Eisner Entities concerning or in relation to the Related Actions, whether or not such claims were alleged and filed in litigation proceedings. “Receiver Action” means the lawsuit pending in the Supreme Court of the State of New York, County of New York titled *Bradley D. Sharp, et al. v. EisnerAmper, LLP*, Index No. 656686/2021.

1 this Agreement), including without limitation fraud in the inducement
2 thereof.

3 Put simply, you will not be able to able to pursue any lawsuit or any claim
4 against Eisner in the United States that in any way is related to the services
5 provided by Eisner to the DLI Entities.

6 THE PROCESS FOR OPTING OUT

7 If you want to keep any right to bring a claim, sue, or continue to sue Eisner
8 on your own in the United States for any Released Claims, then you must take
9 the following steps. This is called “excluding yourself” or “opting out.” *If too*
10 *many investors opt out, Eisner may withdraw from the Settlement. The*
11 *Receiver and the JOLs believe that the Settlement is beneficial for all investors*
12 *and creditors of the DLI Entities.*

13 4. How do I opt out?

14 To opt out, you must send a written letter by e-mail stating that you want
15 to be excluded from the Settlement and do not want to be barred from pursuing
16 claims you have and wish to bring in the United States against Eisner related to
17 their work for the DLI Entities. Your email should reference this case as follows:
18 *Securities and Exchange Commission v. Direct Lending Investments, LLC*, Case
19 No. 19-cv-2188 (C.D. Cal.). You must include your name, address, telephone
20 number, and e-mail address on the letter. You must sign the letter and e-mail it
21 so that it is received no later than October 14, 2024 to:

22 TeamDLI@stretto.com

23 You may not opt out over the telephone. You must submit the written
24 exclusion request via e-mail as noted above.

25 5. If I do not opt out, can I sue Eisner for the same claim later in the 26 United States?

27 No. Unless you opt out, you will be barred by order of the Court from suing
28 Eisner for the Released Claims in the United States. If you have a pending lawsuit

1 against Eisner, speak to your lawyer in that case immediately. Remember, the
2 exclusion date is October 14, 2024.

3 **OBJECTING TO THE SETTLEMENT**

4 You can also oppose approval of the Settlement, the Settlement
5 Agreement, or the Final Approval Order.

6 **6. How do I object?**

7 If you wish to object to the terms of the Settlement Agreement or the Final
8 Approval Order, or you wish to appear at the Final Approval Hearing (the “Final
9 Approval Hearing” described below), you must submit a written objection via e-
10 mail to TeamDLI@stretto.com, no later than October 14, 2024. All objections
11 must:

- 12 a. contain the name, address, telephone number, and an e-mail
13 address of the Person filing the objection;
- 14 b. contain the name, address, telephone number, and e-mail address
15 of any attorney representing the Person filing the objection;
- 16 c. be signed by the Person filing the objection, or his or her
17 attorney;
- 18 d. state, in detail, the basis for any objection;
- 19 e. attach any document the Court should consider in ruling on the
20 Settlement Agreement and the Final Approval Order; and
- 21 f. if the Person filing the objection wishes to appear at the Final
22 Approval Hearing, make a request to do so.

23 Please note that if you do not submit an objection by the time and in the
24 manner provided above, you will be deemed to have waived the right to object
25 (including any right to appeal) and shall be forever barred from raising such
26 objections in the U.S. Receivership Proceedings or any other action or
27 proceeding. The U.S. Receivership Court may decline to permit anyone who fails
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1 to submit a written objection and request to appear at the Final Approval Hearing
2 from appearing at the Final Approval Hearing. The U.S. Receivership Court will
3 exercise discretion as to whether it wishes to hear from any person or entity who
4 fails to make a timely written objection and request to appear.

5 If you do not opt-out and you object to the Settlement, and your objection
6 is overruled by the U.S. Receivership Court, you will be barred from pursuing
7 your own lawsuit in the United States against Eisner related in any way to the
8 professional services provided by Eisner to the DLI Entities.

9 You do not need to appear at the Final Approval Hearing or take any other
10 action to indicate your approval.

11 **FINAL APPROVAL HEARING**

12 The U.S. Receivership Court will hold a hearing to decide whether to
13 approve the Settlement Agreement and enter the Final Approval Order.

14 **7. When and where will the Court decide whether to approve the** 15 **Settlement?**

16 The Court will hold the Final Approval hearing on the Settlement at 1:30
17 p.m. on November 4, 2024, in Courtroom 7D of the United States District Court
18 for the Central District of California, First Street Courthouse, 350 West 1st Street,
19 Los Angeles, California 90012. The purpose of the Final Approval Hearing will
20 be to: (i) determine whether the terms of the Settlement Agreement should be
21 finally approved by the U.S. Receivership Court; (ii) determine whether the Final
22 Approval Order should be entered by the U.S. Receivership Court; (iii) rule upon
23 any objections to the Settlement Agreement or the Final Approval Order; and (iv)
24 rule upon such other matters as the U.S. Receivership Court may deem
25 appropriate. At the hearing, the U.S. Receivership Court will consider whether
26 the Settlement Agreement is adequate, fair, and reasonable.

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