

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 16-CV-21301-GAYLES

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARIEL QUIROS, *et al.*,

Defendants, and

JAY CONSTRUCTION MANAGEMENT, INC., *et al.*,

Relief Defendants.

---

**LEON COSGROVE AND MITCHELL SILBERBERG & KNUPP'S REPLY TO  
QUIROS'S RESPONSE TO THE MOTION TO MODIFY ASSET FREEZE  
THAT THE SEC AND THE RECEIVER DO NOT OPPOSE**

Ariel Quiros's ("Quiros") proposed order does not reflect the resolution between the SEC, the Receiver, LC, and MSK. For the avoidance of doubt, LC and MSK have *only* agreed to dismiss their pending motion and appeal, if the Court grants the modification of the asset freeze as carefully negotiated by LC, MSK, the SEC, and the Receiver. Otherwise, there is no legal basis for dismissing LC and MSK's motion or appeal. LC and MSK do not agree to Quiros's self-serving order, which does not reflect the remaining parties' agreement.

For the reasons set forth in the Motion [ECF No. 414] and the Reply in support of the prior motion to modify [ECF No. 412], Quiros's arguments regarding LC and MSK's entitlement to any payment by Ironshore can be addressed fully and completely outside this litigation. The proposed order agreed to by LC, MSK, the SEC and Receiver does not affect Quiros's opportunity to object to any payments due under the IFA. Rather, Quiros is trying to use an asset

freeze, which is supposed to *protect investors*, as a tool to *protect Quiros*. That is a legally invalid position.

The SEC and Receiver are empowered by law to advocate to this Court on behalf of allegedly defrauded *investors* and the Receivership. Mr. Quiros is not. The submission negotiated by LC, MSK, the SEC, and the Receiver should be sufficient assurance to this Court that the relief requested is warranted and not adverse to the interests of the Receivership or investors. That is all that matters here.

Dated: September 22, 2017

Respectfully submitted,

By: s/ Scott B. Cosgrove

Scott B. Cosgrove

Florida Bar No. 161365

James R. Bryan

Florida Bar No. 696862

**León Cosgrove, LLC**

255 Alhambra Circle, Suite 800

Coral Gables, Florida 33133

Telephone: (305) 740-1975

Facsimile: (305) 437-8158

Email: [scosgrove@leoncosgrove.com](mailto:scosgrove@leoncosgrove.com)

Email: [jbryan@leoncosgrove.com](mailto:jbryan@leoncosgrove.com)

Email: [anoonan@leoncosgrove.com](mailto:anoonan@leoncosgrove.com)

David B. Gordon (*formerly admitted pro hac vice*)

12 East 49th Street

30th Floor

New York, NY 10017

Telephone: (212) 509-3900

Facsimile: (212) 509-7239

Email: [dbg@msk.com](mailto:dbg@msk.com)

John S. Durrant (*formerly admitted pro hac vice*)

11377 W. Olympic Blvd.

Los Angeles, CA 90064

Telephone: (310) 312-3187

Facsimile: (310) 312-3100

Email: jsd@msk.com

*Former Counsel for Defendant Ariel  
Quiros*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this on September 22, 2017, I electronically filed the foregoing document with the Clerk of the Court using CM/ECF. I also certify that the foregoing documents are being served this day on all counsel of record via transmission of Notices of Electronic Filing generated by CM/ECF or in the manner stated in the service list attached.

*s/ Scott B. Cosgrove* \_\_\_\_\_  
Scott B. Cosgrove

**SERVICE LIST**  
**US District Court, Southern District of Florida**  
**Case No.: 16-cv-21301-DPG**

*Securities and Exchange Commission v. Ariel Quiros, et al.*

Robert K. Levenson, Esq.  
Senior Trial Counsel  
Florida Bar No. 0089771  
Direct Dial: (305) 982-6341  
Email: levensonr@sec.gov

Christopher E. Martin, Esq.  
Senior Trial Counsel  
SD Florida Bar No.: A5500747  
Direct Dial: (305) 982-6386  
Email: martine@sec.gov

**SECURITIES AND EXCHANGE  
COMMISSION**  
801 Brickell Avenue, Suite 1800  
Miami, Florida 33131  
Telephone: (305) 982-6300  
Facsimile: (305) 536-4154

*Counsel for Plaintiff*

Roberto Martinez, Esq.  
Stephanie A. Casey, Esq.  
COLSON HICKS EIDSON, P.A.  
255 Alhambra Circle, Penthouse  
Coral Gables, Florida 33134  
Telephone: (305) 476-7400  
Facsimile: (305) 476-7444  
Email: bob@colson.com  
Email: scasey@colson.com

*Counsel for William Stenger*

Michael I. Goldberg  
AKERMAN LLP  
350 E. Las Olas Blvd., Suite 1600  
Ft. Lauderdale, Florida 33301  
Telephone: (954) 463-2700  
Facsimile: (954) 463-2224  
Email: michael.goldberg@akerman.com

Jonathan S. Robbins, Esq.  
AKERMAN LLP  
350 E. Las Olas Blvd., Suite 1600  
Ft. Lauderdale, Florida 33301  
Telephone: (954) 463-2700  
Facsimile: (954) 463-2224  
Email: jonathan.robbins@akerman.com

Naim Surgeon, Esq.  
AKERMAN LLP  
Three Brickell City Centre  
98 Southeast Seventh Street, Suite 1100  
Miami, Florida 33131  
Telephone: (305) 374-5600  
Facsimile: (305) 349-4654  
Email: naim.surgeon@akerman.com

*Counsel for Court-Appointed Receiver*

Jeffrey C. Schneider, Esq.  
LEVINE KELLOGG LEHMAN  
SCHNEIDER + GROSSMAN  
Miami Center, 22<sup>nd</sup> Floor  
201 South Biscayne Blvd.  
Miami, Florida 33131  
Telephone: (305) 403-8788  
Email: jcs@lklsg.com

*Counsel for Receiver*

Mark P. Schnapp, Esq.  
Mark D. Bloom, Esq.  
Danielle N. Garno, Esq.  
GREENBERG TRAURIG, P.A.  
333 SE 2nd Avenue, Suite 4400  
Miami, Florida 33131  
Telephone: (305) 579-0500  
Email: schnapp@gtlaw.com  
Email: bloomm@gtlaw.com  
Email: garnod@gtlaw.com

*Counsel for Intervenor, Citibank NA.*

J. Ben Vitale  
David E. Gurley  
GURLEY VITALE  
601 S. Osprey Avenue  
Sarasota, Florida 32436  
Telephone: (941) 365-4501  
Email: bvitale@gurleyvitale.com  
Email: dgurley@gurleyvitale.com

*Counsel for Blanc & Bailey Construction, Inc.*

Haas A. Hatic  
GREENSPOON MARDER, P.A.  
200 East Broward Blvd.  
Suite 1500  
Fort Lauderdale, FL 33301  
Telephone: 954-491-1120  
Email: haas.hatic@gmlaw.com

*Counsel for North East Contract Services, Inc.*