



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400  
NEW YORK, NY 10281-1022

February 1, 2021

*Via ECF*

Hon. Kiyo A. Matsumoto  
United States District Judge  
Eastern District of New York  
225 Cadman Plaza East, Room S905  
Brooklyn, NY 11201

Re: *SEC v. Shkreli*, 15-cv-7175 (KAM) (E.D.N.Y.)

Dear Judge Matsumoto:

Plaintiff Securities and Exchange Commission (“Commission”) and defendants Martin Shkreli and Evan Greebel respectfully submit this status report pursuant to the Court’s December 17, 2020 Scheduling Order.

*Status as to Shkreli*

As noted in the last status report (ECF No. 43), the Commission and Shkreli reached a partial settlement whereby Shkreli consented to a judgment ordering injunctive relief and providing that the Commission’s claims for monetary relief and an officer and director bar will be resolved by motion. Commission counsel submitted the consent partial judgment for approval on December 23, 2020 (ECF No. 44), and the Court entered the consent partial judgment on December 28 (ECF No. 45). As noted in the last status update, Commission counsel needed Commission authorization to seek from the Court a specific penalty in the anticipated motion as to Shkreli, which authorization Commission counsel has now received. The Commission and counsel for Shkreli jointly propose the following briefing schedule for the motion: Commission to serve motion papers by February 19; Shkreli to serve opposition papers by March 19; Commission to serve reply papers and parties to file their respective motion papers by April 2.

*Status as to MSMB Adviser and MSMB Healthcare Adviser*

As noted in the last status report, defendants MSMB Capital Management LLC (“MSMB Adviser”) and MSMB Healthcare Management LLC (“MSMB Healthcare Adviser”) waived personal service of process (*see* ECF Nos. 7-8), but neither responded to the complaint before the case was stayed. According to Shkreli’s counsel, MSMB Adviser and MSMB Healthcare Adviser are defunct and have no assets, although they have not been dissolved. Once the Court lifts the stay, a deadline should be set for these defendants to answer, move, or otherwise respond to the complaint.<sup>1</sup> If defendants fail to respond, the Commission will move for default judgments to be entered against them.

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<sup>1</sup> The United States Attorney’s Office has indicated that it has no objection to the stay being lifted.

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*Status as to Greebel*

As noted in the parties' last status update, Greebel's counsel had indicated that he needed a short period of additional time to evaluate and discuss with his client the terms and conditions that Commission counsel had indicated it would be prepared to recommend to the Commission to fully resolve the case. Thereafter, Commission counsel asked Greebel's counsel to advise by the end of the week of December 21, 2020 whether Greebel was willing to settle. While counsel originally hoped to respond in that time frame, it turned out Greebel's counsel needed more time than that, and Greebel advised us today that Greebel accepted, in principle, the Commission's settlement proposal to resolve the entire case without further litigation. Commission counsel needs to evaluate the settlement proposal to determine whether to recommend it to the Commission and, if so, time for the Commission to consider Greebel's acceptance of the Commission's prior settlement offer. When the Court stayed this case, it noted that Greebel need not respond to the complaint until the stay is lifted. See Memorandum and Order dated Mar. 22, 2016, ECF No. 33. Counsel for the Commission and Greebel jointly request an additional 60 days to allow Commission counsel to evaluate Greebel's acceptance of the Commission's prior settlement proposal and, if appropriate, seek Commission authorization to present the settlement to the Court for approval. Commission counsel further proposes that, if such a possible settlement is not submitted to the Court for approval on or before April 1, 2021, the Court lift the stay and set a deadline for Greebel to answer, move, or otherwise respond to the complaint.

Respectfully submitted,

*/s/ Paul G. Gizzi*

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