

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of the Inquiry by BARBARA D. :
UNDERWOOD, Attorney General of the State of New :
York, :

Petitioner, :

Pursuant to Article 23-A of the New York General :
Business Law in regard to the acts and practices of :

LAURENCE G. ALLEN, ACP INVESTMENT :
GROUP, LLC, NYPPEX HOLDINGS, LLC, ACP X, :
LP, ACP PARTNERS X, LLC, INSTITUTIONAL :
INTERNET VENTURES, LLC, LGA :
INVESTMENTS FAMILY LIMITED :
PARTNERSHIP, EQUITY OPPORTUNITY :
PARTNERS and INSTITUTIONAL TECHNOLOGY :
VENTURES, LLC, :

Respondents, :

in promoting the issuance, distribution, exchange, :
advertisement, negotiation, purchase, investment advice :
or sale of securities in or from New York State. :

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At the Ex Parte Part of
the Supreme Court of the
State of New York, 60
Centre Street, City and State
of New York, on the ^{10th} 28th
date of December 2018.

Present: **LORENCE J. ...**
Hon. **... S.C.**

Index No.: 452346/2018

**[PROPOSED] EX PARTE
ORDER PURSUANT TO
GENERAL BUSINESS LAW
§ 354**

Date Filed:

Upon the application in writing of Barbara D. Underwood, Attorney General of the State of New York, for an order pursuant to General Business Law (“GBL”) § 354, and upon reading and filing the Affirmation of Jaclyn Grodin, Assistant Attorney General, dated December 20, 2018, with exhibits A through J thereto, and the accompanying memorandum of law, dated December 20, 2018; it being shown that

WHEREAS the Attorney General has determined to commence an action under Article 23-A of the GBL against the above-captioned Respondents, Laurence G. Allen (“Allen”), ACP Investment Group, LLC, NYPPEX Holdings, LLC, ACP X, LP, ACP Partners X, LLC, Institutional Internet Ventures, LLC, LGA Investments Family Limited Partnership, Equity

Opportunity Partners, and Institutional Technology Ventures, LLC, and that the testimony of certain Respondents and the production of certain documents, books and records is material and necessary to the action that the Attorney General has determined to bring; and

WHEREAS pursuant to GBL § 354, it is this Court's duty to grant the Attorney General's application for an order directing the persons mentioned in the application to appear before the Justice of the Supreme Court or referee designated in such order and answer such questions as may be put to them or to any of them under oath, or to produce such papers, documents and books and records; and

WHEREAS pursuant to GBL § 354, it appears that it is expedient and proper to grant certain preliminary injunctive relief against Respondents because alleged fraudulent practices of Respondents threaten continued and immediate injury to the public and that the potential dissipation of Respondents' assets would render a judgment directing restitution or disgorgement ineffectual; it is hereby

ORDERED that Respondents Laurence G. Allen, ACP Investment Group, LLC, NYPPEX Holdings, LLC, ACP X, LP, ACP Partners X, LLC, Institutional Internet Ventures, LLC, LGA Investments Family Limited Partnership, Equity Opportunity Partners, and Institutional Technology Ventures, LLC, appear before the Honorable **STEVEN E. LIEBMAN** ~~SPECIAL REFEREE~~ of the ~~Supreme Court, or any other Justice or Referee~~ of this Court as may be directed, in Room 641, at the courthouse located at 60 Centre Street, New York, New York, or at any other place as this Court may direct, as follows: on the 9th of January, 2019, at 10:00 a.m./p.m., and on any adjourned date and time thereafter, to testify under oath, and answer such questions as may be put to them by the New York Attorney General or a designated Assistant Attorney General, concerning the authenticity or location of certain documents, books and records; and to turn over

originals, wherever located, whether in their possession or control, or if the originals are unavailable, copies of:

- A. All bank and brokerage account statements (including monthly, quarterly, year-end, and any other statements) concerning ACP X, LP, NYPPEX Holdings, LLC, ACP Investment Group, LLC, and ACP Partners X, LLC from 2010 to the present.
- B. All documents provided to any Limited Partner of ACP, X relating to the portfolio disclosures and valuations described in the Third, Fourth, Fifth, Sixth and Seventh Amendments to the Amended and Restated Agreement of the Limited Partnership of ACP X, LP, copies of all completed ballots of the Third, Sixth and Seventh Amendments, and all communications between and among any Respondents and any Limited Partner of ACP X, LP related to the same.
- C. All documents and communications between Respondents and Royal Bank of Canada and Charles Schwab, and any related or affiliated entity, concerning the Fair Market Analyses, including but not limited to any correspondence with Royal Bank of Canada and Charles Schwab enclosing any Fair Market Analysis from 2010 to the present.
- D. A copy of the \$1 million credit facility agreement with ACP X, LP obtained “[i]n the 4Q2017, “ as referenced in the ACP X, LP Fourth Quarter 2017 Report/Annual 2017 Report, and/or any certifications, reports, communications or documents concerning the same.
- E. All documents and communications relied upon in creating the 2011-2017 Fair Valuation Analyses for NYPPEX Holdings, LLC.
- F. Documents sufficient to identify the amount of money Allen received, directly or indirectly, from each Respondent from 2016 to the present, above.
- G. Documents sufficient to identify all distributions of carried interest from ACP X, LP from January 1, 2013 to the present, and the calculation utilized to determine such distribution.
- H. All communications concerning the Seventh Amendment to the Amended and Restated Agreement of the Limited Partnership of ACP X, LP.
- I. All communications requested in the Subpoenas issued by the Office of the Attorney General to Respondents, dated August 3, 2016, December 5, 2017, and September 4, 2018, respectively.
- J. All other documents that may be requested by the Attorney General or a designated Assistant Attorney General during the course of this investigation; and it is further

ORDERED that Respondents Laurence G. Allen, ACP Investment Group, LLC, NYPPEX Holdings, LLC, ACP X, LP, ACP Partners X, LLC, Institutional Internet Ventures, LLC, LGA Investments Family Limited Partnership, Equity Opportunity Partners, and Institutional Technology Ventures, LLC, appear before the Honorable **STEVEN E. LIEBMAN** ~~Justice of the Supreme Court, or any other Justice or Referee~~ **SPECIAL REFEREE** of this Court as may be directed, in Room 641

_____, at the courthouse located at 60 Centre Street, New York, New York, or at any other place as this Court may direct, as follows: on the 9th of January, 2019, at 10:00 a.m. ~~10:00~~, and on any adjourned date and time thereafter, to testify under oath, and answer such questions as may be put to him by the Attorney General or a designated Assistant Attorney General; and it is further

ORDERED that all Respondents, their agents and employees, are hereby preliminarily restrained from violating Article 23-A of the GBL, and from engaging in fraudulent, deceptive and illegal acts, and are further restrained and enjoined from employing any device, scheme or artifice to defraud or to obtain money or property by means of false pretense, representation or promise, including but not limited to:

- a. Taking any action pursuant to the Seventh Amendment to the Amended and Restated Agreement of the Limited Partnership Agreement of ACP X, LP;
- b. Making distributions from ACP X, LP, except to Limited Partners of ACP X, LP on a pro-rata basis to their limited partnership interests in ACP X, LP;
- c. Making any investments, extending any loans or lines of credit, or entering into any agreements, on behalf of ACP X, LP, to, or with Laurence G. Allen, NYPPEX Holdings, LLC, ACP Partners X, LLC, or any other entity in which Allen, directly or indirectly, exercises control or has an ownership interest;
- d. Facilitating, allowing, or participating in, the purchase, sale or transfer of any limited partnership interest in ACP X, LP;

- e. Making any payments or distributions, directly or indirectly, from ACP X, LP, ACP Investment Group, LLC or ACP Partners X, LLC, to Laurence G. Allen, Tyler Allen, Michelle Allen, LGA Investments Family Limited Partnership, Institutional Internet Ventures, LLC, Institutional Technology Ventures, LLC, NYPPEX Holdings, LLC, or Equity Opportunity Partners; and it is further

ORDERED that Respondents, their principals and agents, are hereby preliminary restrained from withdrawing, converting, transferring, selling or otherwise disposing of funds and assets held by ACP Investment Group, LLC, ACP X, LP, and ACP Partners X, LLC, wherever they may be situated, for purposes other than that provided for in subpart (b), *supra*; and it is further

ORDERED that service by personal delivery and leaving with each Respondent a certified copy of this Order together with the papers upon which it was granted, on or before the 2nd of ~~December, 2018~~ ^{January 2019}, be deemed sufficient service thereof.

Dated: ~~New York, New York~~
~~December~~, 2018



J.S.C.

LORI S. SATTLER
J.S.C.