

EXHIBIT C

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BEACON ASSOCIATES LLC I,
BEACON ASSOCIATES LLC II,
ANDOVER ASSOCIATES L.P.,
ANDOVER ASSOCIATES LLC I,
ANDOVER ASSOCIATES (Q) LLC,

Plaintiffs,

-vs.-

BEACON ASSOCIATES MANAGEMENT CORP.;
ANDOVER ASSOCIATES MANAGEMENT CORP.;
INCOME PLUS INVESTMENT FUND;
DAVID FASTERNBERG, TRUSTEE, LONG ISLAND
VITREO-RETINAL CONSULTANTS 401K FBO
DAVID FASTENBERG, ET AL.,

Defendants.

Civil Action No.
1:14-cv-02294(AJP)

**RAUBVOGEL INVESTORS MEMORANDUM IN SUPPORT
OF THE APPLICATION OF THE VALUATION METHOD**

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The Raubvogel Investors (Jay Raubvogel, individually, Jay Raubvogel IRA, M. Raubvogel Co., Inc. Trust), investors in Beacon Associates LLC I (“Beacon” or the “Fund”), hereby incorporate by reference Income-Plus Investment Fund’s Memorandums of Law in response to (1) Plaintiff’s request for a Declaratory Judgment and (2) Defendant Fastenberg’s request for a Mandatory Injunction and Declaratory Judgment.

In the interests of judicial economy, the Raubvogel Investors hereby adopt and incorporate by reference the arguments in Income-Plus Investment Fund’s Memorandums of Law referred to above.

Due to the diametrically opposed positions between Defendant Income-Plus Investment Fund and Defendant Fastenberg, as set forth in each parties’ Memorandums of Law, it is important to emphasize and focus on the following points and conclusions:

1. The Net Equity Method was applied to the amount awarded to Madoff victims by the Madoff Bankruptcy Trustee which is the proper approach for recoveries directly from an entity that perpetrated a Ponzi scheme.

When moneys are received by Beacon, they become assets of the Fund and should be allocated to its investors without regard to its source. Under the Operating Agreement, Fund investors have an interest in the Funds’ assets in accordance with their relative capital account

balances. Thus, the distribution of Fund assets (e.g., the moneys that are the subject of Beacon's Complaint), should be governed by the provisions of the Operating Agreement. These provisions require that liquidating distributions, as here, are to be based on the relative amount of the partners' positive capital account balances in the Fund's book and records, the so-called Valuation Method. It should be noted that the moneys received by Beacon from the Madoff Bankruptcy Trustee in 2012 were, in fact, allocated in Beacon's books and records and on the Schedule K-1s issued to each partner in accordance with the Valuation Method.

2. Equitable relief should not be granted where there are clear and controlling provisions within an Operating Agreement. The provision governing the liquidation of Beacon is standard and typical of most partnership agreements and LLC operating agreements. Namely, that it is based on the relative amount of the partners' capital accounts in the books and records of the partnership or LLC. Accordingly, it is clearly not a provision contrary to public policy that should be superseded by equitable relief.

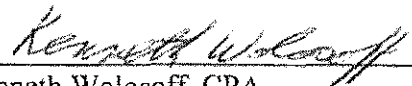
3. In making its prior determination to apply the Valuation Method to the initial liquidating distribution made by Beacon in 2010, this Court had evidence of the "fictitious profits" in each partner's capital account balance. However, it held that the partners' capital

accounts should not be ignored and should not be restated to extract fictitious Madoff profits, but rather that the distribution should be based on Valuation Method principals pursuant to Beacon's Operating Agreement. The same principals should be applied to current and future liquidating distributions by Beacon.

For the reasons set forth above and more explicitly in Income-Plus Investment Fund's Memorandums of Law, the Valuation Method as provided for in Beacon's Operating Agreement should be used to determine all current and future liquidating distributions by Beacon to its partners.

Dated: September 23, 2014

MARGOLIN, WINER & EVENS LLP

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