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AVENIR PRIVATE ADVISORS RESPONDS TO MIAMI HERALD ARTICLE WITH NUMEROUS CORRECTIONS

MIAMI, FL – November 5, 2021 – Avenir Private Advisors, LLC (“Avenir”), previously an investment advisor led by Justin Lowe and registered with the Securities and Exchange Commission (“SEC”) that wound down its activities in May 2020, announced today its response to the inaccurate and libelous Miami Herald article written by reporter Jay Weaver and edited by Curtis Morgan that was published on October 18, 2021.

In the Miami Herald article defamatorily titled, “Feds Probe Miami Investment Firm Over Millions Linked to Suspected Venezuelan Kleptocrats,” Mr. Weaver and Mr. Morgan made various unsubstantiated assertions based on poor and unfounded sourcing that Avenir Private Advisors is “under federal scrutiny for potential securities violations.”

When directly asked by Mr. Weaver if he had any knowledge of an ongoing or active investigation by the SEC or the U.S. Department of Justice (“DOJ”) into his former firm, Avenir Private Advisors, or himself, **Mr. Lowe stated clearly and immediately to reporter Jay Weaver that he did not have any knowledge of any active or ongoing investigations and had not been contacted by any regulatory bureau for discovery, questioning or inquiry within the last 18 months.** Furthermore, Mr. Lowe requested that an on-the-record statement from him be added to the article directly refuting knowledge of any claims of active investigations and Mr. Weaver and Mr. Morgan refused to add the statement into the article.

PRESS RELEASE

Below is the statement that the Miami Herald refused to include in their aforementioned article:

"Mr. Lowe has no knowledge of any ongoing securities investigations pertaining to his former firm, Avenir Private Advisors, LLC, nor has he been told that he is the target of any active investigations."

Throughout the article, Mr. Weaver and Mr. Morgan perpetuated the one-sided views of Mark Coffey, a former financial advisor and officer at Avenir Private Advisors, who was investigated and subsequently terminated for cause by Avenir in September 2019—the details of which are included in Mr. Coffey's [SEC record](#)—along with intimidating and harassing female subordinates. Mr. Coffey's SEC record includes the following fiduciary violations for which he was terminated by Avenir for cause:

- a) Failure to supervise, including billing practices and record retention;
- b) Acting as an officer against the interests of the company (*including misrepresenting himself in officer roles he did not hold at the firm*); and
- c) Tortious unauthorized interference into the firm's business relationships.

The Miami Herald article states that "Within months of his hiring, according to Coffey and a complaint he filed with the U.S. Securities and Exchange Commission, the alarm bells were going off over Avenir's handling of a \$70 million account controlled by an obscure Barbados insurance company," a reference to Energy Risk Indemnity ("ERI"), a reinsurance company headquartered in Barbados. In response to this inaccurate claim, Avenir points out that at no time was there evidence of "alarm bells going off within months of Mr. Coffey's hiring" and furthermore:

- Mr. Coffey was Avenir Private Advisors' Chief Compliance Officer in 2018 when ERI became an advisory client of Avenir;

PRESS RELEASE

- Mr. Coffey was the individual who commenced the Avenir relationship with Interactive Brokers and signed off on the ERI fee agreement in their banking system;
- Mr. Coffey created the Interactive Brokers login for the ERI account, which he then shared with the Avenir Management Team and back-office, including Mr. Lowe and Avenir's Trading Assistant;
- Starting in late 2018, with Mr. Coffey's full knowledge, ERI began requesting the sale of investment positions in order to complete a business merger and subsequently moved that money to same-name accounts under the ERI name;
- Further, in June 2019, ERI submitted a formal written request to the Avenir team, including Mr. Coffey, to sell all of the remaining positions in its portfolio and Mr. Coffey wrote a text message (*which can be provided as evidence of this communication*) to Mr. Lowe providing guidance as to how Avenir's Trading Assistant should begin executing the required trades. If Mr. Coffey had concerns about the sale of these investments, why did he condone that these actions be taken by Avenir's Trading Assistant and communicate to Mr. Lowe this action as regular course of business?
- Mr. Coffey never expressed any concern about ERI until September 16, 2019, at which time he wrote a letter to Avenir inquiring about the firm's billing and trade execution process, well after he had been put on notice regarding improper and unprofessional workplace behavior;
- Furthermore, the mischaracterization of ERI as an "obscure Barbados insurance company" by the Miami Herald could not be further from the truth, as ERI is well known in the reinsurance business.

Mr. Weaver and Mr. Morgan stated in their article that, "Coffey's thorny questions would lead to his firing, the whistle-blower complaint with the SEC and a federal

PRESS RELEASE

criminal investigation by the Justice Department into allegations of complex international money laundering.” Mr. Coffey did not ask any “thorny questions” prior to his termination for cause and **there is no evidence of a criminal investigation into Avenir Private Advisors, Mr. Lowe, individuals working for Avenir, ERI or Mr. Jean-Francois de Clermont-Tonnerre.** This unsubstantiated statement made by the Miami Herald is not only damaging and defamatory but completely meritless.

Mr. Coffey’s lawyers have attempted to file one and potentially two ‘referral’ complaints with the SEC against Avenir and Mr. Lowe—once in December 2019, shortly after Mr. Coffey was terminated for cause from Avenir, which did not have the result Mr. Coffey had hoped for—and potentially again in September 2021 with a local, North Carolina office of the SEC, after failing to make their case the first time. It is our belief that the Miami Herald’s Mr. Weaver and Mr. Morgan attempted to use the most recent 2021 SEC referral filing by Mr. Coffey’s lawyers as evidence of an active investigation into Avenir, but these materials do not prove an investigation is underway, only that one has been requested, and show Mr. Coffey’s unwavering interest to be paid for filing a baseless, whistle-blower complaint, despite the reputational consequences for those parties he is falsely accusing. Whistleblower complaints typically earn as much as 10-30% of the money collected for a complaint that leads to sanctions that exceed \$1 million.

The Miami Herald article also stated: “The allegations of potential securities and money laundering violations contained in the SEC complaint appear to hinge on one central question: Did Lowe and Avenir co-owner Jean-Francois de Clermont-Tonnerre know that ERI’s millions may have come from illicit contracts with Venezuela’s national oil company?” In fact, **Mr. Lowe and Mr. de Clermont-Tonnerre communicated to Mr. Weaver that they had no knowledge whatsoever of any illegal contracts or**

PRESS RELEASE

investigations into Luis Mariano Rodriguez Cabello and conducted proper due diligence on the client, including third-party forensic analysis.

Also of note, the Miami Herald misrepresented the role of Mr. de Clermont-Tonnerre at Avenir, stating he was a “co-owner” of the business, which was not the case. Mr. de Clermont-Tonnerre was a minor, passive investor in Avenir and had no executive title or role at the firm nor any managerial oversight.

The Miami Herald also referenced a 2016 private Morgan Stanley report called “SAR” that had “flagged ERI in what is known as a ‘suspicious activity report’ that was submitted to FinCEN” as evidence that Avenir should have been aware of concerns regarding Mr. Cabello. However, this report was not public at the time and only later became public in September 2020 with the FinCEN Wikileaks leak. Mr. Lowe and Mr. de Clermont-Tonnerre stated clearly to reporter Jay Weaver that they had no knowledge of the SAR report; and, in fact, Mr. Lowe only became knowledgeable about the SAR report when Mr. Weaver showed it to him immediately prior to the Miami Herald article being published. Furthermore, neither Avenir, nor Mr. Lowe, nor Mr. de Clermont-Tonnerre had any involvement with or connection to ERI at the time that the Morgan Stanley report was created in 2016 as ERI was not owned by Mr. de Clermont-Tonnerre at that point in time. Nor did any of the aforementioned parties have any involvement with the opening of the ERI account at Morgan Stanley, nor the opening of ERI’s account at Interactive Brokers.

The Miami Herald inaccurately stated that Mr. Coffey confronted Mr. Lowe in the summer of 2019 regarding “five wire transfers to foreign accounts (referring to transfers made from one ERI account to another ERI account);” however, Mr. Coffey did not communicate with Mr. Lowe regarding any such transfers during the summer of 2019.

PRESS RELEASE

Mr. Coffey's first communication regarding any wire transfer questions took place on September 16, 2019, when Mr. Coffey wrote a letter to Mr. Lowe with questions regarding the ERI account. At the time that Mr. Coffey wrote this letter, there were only \$2 million remaining in the account after most of ERI's investments had been sold, and Mr. Coffey had full awareness of all of ERI's investment sales up to that point and following.

The Miami Herald incorrectly stated, "Lowe and de Clermont-Tonnerre started authorizing transfers of ERI's funds at Interactive Brokers in the U.S. to banks in Europe and Mauritius," and "Coffey said he then refused instructions to make a final \$2 million transfer from Interactive Brokers to the Mauritius bank and immediately afterward contacted the SEC in late September 2019," but both are not accurate as neither Mr. Lowe or Mr. Coffey had the right or the ability to direct transfers out of the ERI account, in line with SEC guidelines, since Avenir was only an advisor to ERI. The account belonged to ERI and only ERI had the ability to instruct wires.

The Miami Herald also said, "Coffey's lawyers cited corporate records, financial statements and correspondence to argue that Lowe, de Clermont-Tonnerre and Rodriguez collaborated to move ERI funds out of the United States." On the contrary, there has never been any correspondence or communication—written, verbal or otherwise—between Avenir or Mr. Lowe and Mr. Rodriguez Cabello. Mr. Lowe does not know nor has he ever met Mr. Cabello.

In addition, Mr. Weaver incorrectly stated that Mr. de Clermont-Tonnerre was planning to buy ERI in 2019, but Mr. Clermont-Tonnerre was already a shareholder of ERI, following a management buyout that occurred in February 2018.

PRESS RELEASE

Mr. Weaver also wrote that Mr. Coffey “was concerned about an additional \$2 million in management fees ERI paid to Avenir, an unusually large amount for less than one year of services;” however, such fees were in line with Avenir’s stated policies, as described in its Form ADV Part 2A Brochure and Form ADV Part 2A, Appendix 1, and in line with their investment advisory agreement with ERI.

Despite many attempts by Mr. Lowe and Mr. de Clermont-Tonnerre to clarify and communicate information to reporter Jay Weaver and Editor Curtis Morgan in an effort for the truth to be understood in the midst of the sensationalist and factually inaccurate bent of the Miami Herald article, both Mr. Weaver and Mr. Morgan refused to incorporate the information they received or change their approach to the story as it was to their advantage to write a story on a Miami-based firm in order to draw in local readers—despite how defamatory it was.

May this notice serve as a warning to any party that seeks to perpetuate this defamatory information in the public domain or otherwise that it is unsubstantiated, injurious to the reputation of Mr. Lowe and his former firm and will be viewed as intentionally libelous and defamatory. Mr. Lowe and Avenir are considering all legal avenues available to them to pursue the fullest extent of the law to remedy the damage to their reputations that have been propagated by the Miami Herald, Reporter Jay Weaver and Editor Curtis Morgan.

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