



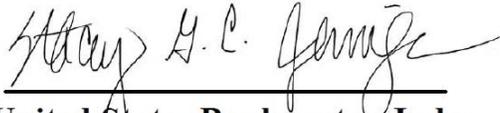
CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed December 22, 2020


United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

.....	§	
In re:	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	
	§	Case No. 19-34054-sgj11
Debtor.	§	
.....	§	
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	
	§	
Plaintiff,	§	
	§	
vs.	§	Adv. Pro. No. 20-03128
	§	
PATRICK HAGAMAN DAUGHERTY,	§	
	§	
Defendant.	§	
.....	§	

ORDER APPROVING STIPULATION RESOLVING ADVERSARY PROCEEDING

Having considered the *Stipulation Resolving Adversary Proceeding* [Adv. Dkt. No. 7]

¹ The Debtor's last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.



193405420122800000000003

(the “Stipulation”),² a copy of which is attached hereto as **Exhibit A**, made and entered into by and between Highland Capital Management, L.P., as debtor-in-possession (the “Debtor”), and Patrick Hagaman Daugherty (“Mr. Daugherty” and, together with the Debtor, the “Parties”), **IT**

IS HEREBY ORDERED THAT:

1. The Stipulation is **APPROVED**.
2. The Stipulation shall become effective immediately upon entry of this Order.
3. The Court retains jurisdiction over all matters arising from or related to the implementation or interpretation of this Order.

###End of Order###

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Stipulation.

EXHIBIT A

PACHULSKI STANG ZIEHL & JONES LLP
Jeffrey N. Pomerantz (CA Bar No.143717) (*admitted pro hac vice*)
Ira D. Kharasch (CA Bar No. 109084) (*admitted pro hac vice*)
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Counsel for the Debtor and Debtor-in-Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	
	§	Chapter 11
HIGHLAND CAPITAL MANAGEMENT, L.P., ¹	§	
Debtor.	§	Case No. 19-34054-sgj11
HIGHLAND CAPITAL MANAGEMENT, L.P.,	§	
Plaintiff,	§	
vs.	§	Adv. Pro. No. 20-03128
PATRICK HAGAMAN DAUGHERTY,	§	
Defendant.	§	

¹ The Debtor's last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

STIPULATION RESOLVING ADVERSARY PROCEEDING

This stipulation (the “Stipulation”) is made and entered into by and between Highland Capital Management, L.P., as debtor-in-possession (the “Debtor”), and Patrick Hagaman Daugherty (“Mr. Daugherty” and, together with the Debtor, the “Parties”), by and through their respective undersigned counsel.

RECITALS

WHEREAS, on October 16, 2019 (the “Petition Date”), the Debtor commenced with the United States Bankruptcy Court for the District of Delaware (the “Initial Court”) a voluntary case under chapter 11 of title 11 of the Bankruptcy Code (the “Delaware Case”);

WHEREAS, on December 4, 2019 (the “Transfer Date”), the Initial Court entered the *Order Transferring Venue of this Case to the United States Bankruptcy Court for the Northern District of Texas* [Docket No. 184] (the “Transfer Order”), which transferred the Delaware Case to the United States Bankruptcy Court for the Northern District of Texas (the “Court”);

WHEREAS, on March 2, 2020, the Court entered the *Order (I) Establishing Bar Dates for Filing Claims and (II) Approving the Form and Manner of Notice Thereof* [Docket No. 488], which, among other things, established April 8, 2020 at 5:00 p.m. Central Time as the deadline for all entities holding claims against the Debtor that arose before the Petition Date to file proofs of claim;

WHEREAS, on April 6, 2020, Mr. Daugherty filed a general unsecured, non-priority proof of claim in the approximate amount of \$37 million, which claim was denoted by the Debtor’s claims agent as claim number 77 (“Claim No. 77”);

WHEREAS, on October 23, 2020, Mr. Daugherty filed his motion for leave to amend Claim No. 77, and such motion was unopposed;

WHEREAS, in 2017, Mr. Daugherty commenced an action against the Debtor and others in the Delaware Chancery Court, C.A. No. 2017-0488-MTZ (“Delaware Case I”);

WHEREAS, in 2019, Mr. Daugherty commenced a second action in the Delaware Chancery Court related to Delaware Case I, C.A. No. 2019-0956-MTZ (“Delaware Case II” and together with Delaware Case I, the “Delaware Cases”);

WHEREAS, on October 8, 2020, the Debtor commenced the above-referenced adversary proceeding (the “Adversary Proceeding”) by filing its *Complaint to Extend the Automatic Stay or in the Alternative for Preliminary Injunctive Relief* [Adv. Pro. Docket No. 1] (the “Complaint”) in which the Debtor sought, in substance, to stay Mr. Daugherty’s prosecution of the Delaware Cases;

WHEREAS, on November 12, 2020, Mr. Daugherty filed his *Motion to Dismiss Adversary Proceeding Pursuant to Fed. R. Civ. P. 12(b)(6)* [Adv. Pro. Docket No. 6] (the “Motion to Dismiss”); and

NOW, THEREFORE, it is hereby stipulated and agreed, and upon approval of this Stipulation by the Court, it shall be SO ORDERED:

1. As soon as practicable after the entry of an order approving this Stipulation, the Debtor shall take all steps necessary to dismiss the Adversary Proceeding with prejudice.
2. In exchange for the dismissal of the Adversary Proceeding, Mr. Daugherty covenants not to take any steps to prosecute or pursue the claims in the Delaware Cases until the earlier to occur of (a) the effective date of any plan of reorganization or liquidation filed in the Debtor’s bankruptcy case, or (b) January 31, 2021.
3. The Court shall retain jurisdiction over all disputes arising out of or otherwise concerning the interpretation and enforcement of this Stipulation.

Dated: December 18, 2020.

PACHULSKI STANG ZIEHL & JONES LLP

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-and-

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/s/ Zachery Z. Annable

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/s/ Jason Kathman

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Counsel for the Defendant

United States Bankruptcy Court
Northern District of Texas

Highland Capital Management, L.P.,
Plaintiff
Daugherty,
Defendant

Adv. Proc. No. 20-03128-sgj

CERTIFICATE OF NOTICE

District/off: 0539-3

User: mmathews

Page 1 of 2

Date Rcvd: Dec 23, 2020

Form ID: pdf001

Total Noticed: 4

The following symbols are used throughout this certificate:

Symbol Definition

+ Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Dec 25, 2020:

Recip ID	Recipient Name and Address
ust	+ Cheryl Wilcoxson, US Trustee, 1100 Commerce St., Ste. 976, Dallas, TX 75242-0996

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
ust	+ Email/Text: ustpreion06.ty.ecf@usdoj.gov	Dec 23 2020 22:59:00	US Trustee, Office of the U.S. Trustee, 110 N. College Ave., Suite 300, Tyler, TX 75702-7231
ust	+ Email/Text: ustpreion07.hu.ecf@usdoj.gov	Dec 23 2020 22:59:00	US Trustee, Office of the US Trustee, 515 Rusk Ave, Ste 3516, Houston, TX 77002-2604
ust	+ Email/Text: ustpreion06.da.ecf@usdoj.gov	Dec 23 2020 22:59:00	United States Trustee, 1100 Commerce Street, Room 976, Dallas, TX 75242-0996

TOTAL: 3

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
ust		Sandra Nixon, U.S. Trustee
ust		mario zavala
ust	*+	US Trustee, Office of the U.S. Trustee, 110 N. College Ave., Suite 300, Tyler, TX 75702-7231

TOTAL: 2 Undeliverable, 1 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Dec 25, 2020

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

District/off: 0539-3

User: mmathews

Page 2 of 2

Date Rcvd: Dec 23, 2020

Form ID: pdf001

Total Noticed: 4

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on December 23, 2020 at the address(es) listed below:

Name	Email Address
Jason Patrick Kathman	on behalf of Defendant Patrick Hagaman Daugherty jkathman@pronskepc.com gpronske@pronskepc.com;lvargas@pronskepc.com;admin@pronskepc.com;mcclontz@pronskepc.com
Zachery Z. Annable	on behalf of Plaintiff Highland Capital Management L.P. zannable@haywardfirm.com

TOTAL: 2